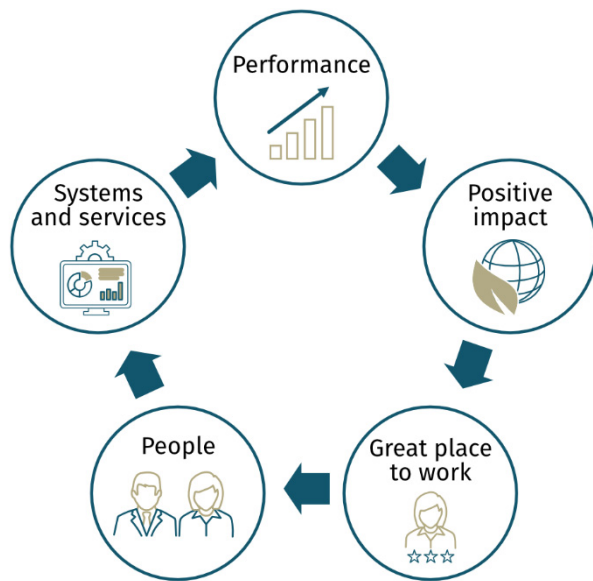


ESG POLICY

Overview

Aurum Fund Management Ltd. ("Aurum") is committed to considering environmental, social and governance ("ESG") issues at all levels within the Aurum group. ESG underpins Aurum's business philosophy which is built on five pillars that are essential elements to continued stability:



PERFORMANCE – For the funds under its advisement and management Aurum strives to deliver consistent high quality, uncorrelated returns. Aurum strives to avoid loss and deliver positive compounding performance over the long-term.

POSITIVE IMPACT ON OUR WORLD - Embedded Impact® as a core business purpose. Aurum supports several environmental and social philanthropic programmes.

PEOPLE – The Aurum Group hire and retain excellent workforce whose personal values align with Aurum's business purpose; and where every team member can be relied upon to meet the commitments Aurum expects to deliver to its clients.

A GREAT PLACE TO WORK - Ensure that Aurum Group's culture and values support the wider team which in turn, earns their commitment and trust.

SYSTEMS AND SERVICES - Invest in technology and business processes to deliver cutting edge risk management and outstanding service to clients.

Aurum Group introduction

Aurum is a specialist investment manager providing investment solutions to a diverse client base including pension funds, insurance companies, sovereign wealth funds, asset management groups, private banks, family offices and high net worth individuals. Aurum is a limited liability company which is licensed to conduct investment business by the Bermuda Monetary Authority and is the parent company of:

- Aurum Funds Limited ("AFL") - is based in London and provides marketing and sales advice to Aurum. AFL is authorised and regulated in the UK by the Financial Conduct Authority.
- Aurum Research Limited ("ARL") - is based in London and provides administrative services as well as investment research and advice to Aurum.

Aurum Fund Management (Pty) Ltd - is registered and licensed by the Financial Sector Conduct Authority in South Africa and acts as the registered representative office of a locally registered Aurum Fund. These entities together form the Aurum group of companies (the "Aurum Group")

ESG criteria in investment approach

Aurum believes that considering various aspects of ESG is an essential component to good investment decision-making. When investing in underlying funds, Aurum believe it is imperative to consider ESG risks on a strategy-by-strategy basis. For example, for hedge funds with equities and fixed income exposure, Aurum expect the underlying manager to exercise due consideration of the financially material risks associated with such securities over both the short and the long term.

This will vary on an industry-by-industry basis, a list of topics and examples which are included as part of engagement is shown below, it should be noted this list is not exhaustive and the topics chosen will vary across different engagements. Our engagements include how this impacts systemic issues such as those covered in the United Nations 17 Sustainable Development Goals.

Environmental	
Climate Change	The impact of the invested business on the climate via pollution and emissions and also the impact of climate change on businesses
Biodiversity	The impact of investments on species and ecosystems
Net Zero objectives	How these have been drafted and the monitoring methods in place
Resource-efficiency	Ensuring businesses are using resources effectively and where reductions in resource usage are
Deforestation	Understanding how invested companies and business practices impact on forests and where policies can be enhanced including advice from Global Canopy
Social	
Health & Safety	regulations and procedures intended to prevent accident or injury in workplaces or public environments.
Indigenous Peoples and Local Communities ('IPLC')	Assessing where IPLC are impacted via business investments and how companies can work in tandem with them to support their vital role as land stewards.
Human Rights	Establishing that these are upheld in both the underlying companies and their supply chain
Fair Pay & Living wage	Ensuring companies and their supply chains pay fairly and enough to enable basic living standards
Modern Slavery	How this is prevented and what steps are taken to avoid enabling it within the supply chain
Governance	
Bribery & Corruption	The training provided and steps taken to prevent this from occurring
Effective decision making	To ensure group think is avoided and to understand how objectivity is assessed and assessing if relevant expertise are included in decision making.
Conflicts of interest	Understanding how these are managed in practice
Compliance	Looking at how regulations, guidelines and frameworks are understood and met within organisations
Diversity, equity and inclusion	Understanding the current position within a business and their objectives and measurement around this evolution.

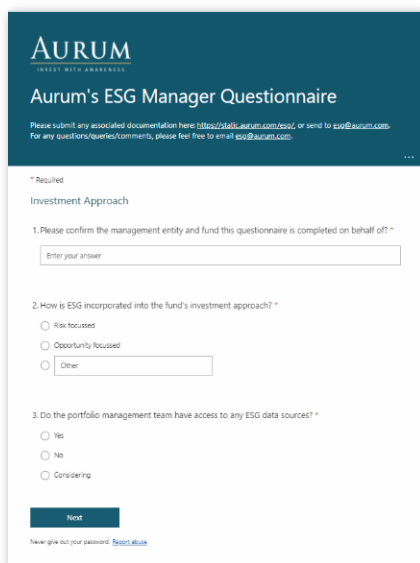
Appropriate points from this are chosen for engagement, for example in manufacturing, carbon footprint and health and safety factors are key whereas in financial services factors like whistleblowing policies and diversity statistics are more pertinent.

For example, when performing due diligence on CTA and macro hedge funds, Aurum expect the manager to consider ESG risks associated with their prime brokers and counterparties. For underlying funds trading in FX, interest rates and sovereign bonds, Aurum expect more focus on country-related ESG factors and the issuer’s approach to the Paris Agreement.

ESG analysis in investment approach

ESG is a key part of the Aurum Group’s ongoing investment due diligence and operational due diligence process and is included both when considering prospective investments and in ongoing monitoring. It is therefore a key component of decision making at both the initial investment stage and whether to retain a holding.

Investment recommendations have been vetoed in the past on ESG grounds, for funds that had significant exposure to securities that were considered morally and ethically questionable.



Aurum view ESG analysis not only as part of the risk management focus, but also more proactively to ensure underlying managers are aware of ESG opportunities which are available, such as alpha generation available from a transition to a low carbon economy.

To do this effectively, there is regular engagement with underlying managers on a qualitative basis, and more recently more quantitative information through an in-depth questionnaire (shown left).

A detailed ESG report is now included in the full due diligence report for each new prospective fund and if invested, ongoing ESG monitoring will also occur. The key part of this ESG report is the ESG Red-Amber-Green matrix (“ESG RAG”), as shown on the right.

As the underlying managers are not directly comparable it is difficult to have a proper quantitative assessment. Therefore, it has been decided to use the ESG RAG as the assessment method.

The key to this is to ensure proportionality. This means the starting point, is to decide to what extent the asset class lends itself to ESG considerations. The rest of the ratings in the investment section should then be guided by this.

To ensure effective due diligence, ARL’s Head of ESG has joint responsibility for signing off the due

2. ESG RAG		
Investment	RAG	Comment
ESG Asset Class Overview	Green	
ESG Integration	Green	
ESG Exclusion	Green	
ESG Market Engagement	Green	
ESG Policy	Green	
ESG Data Sources	Green	
ESG Thematic Investment	Orange	
Corporate	RAG	Comment
ESG Governance Structure	Green	
ESG Team	Green	
ESG Training	Green	
Evolution of Corporate Approach	Green	
ESG Reporting	Orange	
Diversity, Equity & Inclusion	Orange	

diligence report pack alongside the Heads of Investment Research and Operational Due Diligence.

ESG governance structure

Aurum's management team are ultimately responsible for the Aurum Group's ESG approach and driving this forward. ARL's Head of ESG works directly with them to enhance the approach and to share information with Aurum's board. ARL's Head of ESG also reports to the CEO of Aurum Research Limited to ensure ESG is integrated across the business.

ARL engages Albourne, a consultant, on an ongoing basis. Albourne has recently appointed a Head of ESG Investing who is supported by 20 colleagues from across the business. ARL speaks to this individual regularly to understand their views and market trends in the ESG space of alternative investments.

In April 2021, Albourne updated its ESG reporting standards. This multi-tiered approach includes:

- a questionnaire based on the PRI framework (replacing Albourne's ESG DDQ originally launched in 2011)
- a proprietary short form questionnaire; and
- a proprietary ESG scoring framework (based on the above short form questionnaire).

These reports are completed by hedge fund managers and ARL's investment team reviews the reports when available.

ESG engagement

Manager engagement

Given this is a rapidly evolving area, as part of the ongoing due diligence process it is crucial that underlying managers are informed of the latest best practices and Aurum provide them with such information and guidance documents.

From 2021 all underlying managers have been directly engaged with on ESG matters, which included the risks and opportunities associated with the transition to a low carbon economy from both a business and investment perspective.

Regular reporting of manager engagements is included in our annual Embedded Impact report.

Wider industry engagement

As well as engaging with underlying managers, there is a focus on helping to guide and steer the alternative investment industry. There are three engagement examples below:

1. Providing thought leadership as part of an industry working group on Taskforce for Climate-related Financial Disclosures. Given the other participants were from much larger managers, Aurum was able to ensure the resulting paper and guide was pertinent for all alternatives managers, not just those with a dominant market share.
2. In May 2022, Aurum held its inaugural Alternative ESG Symposium. The purpose of the event was to bring investors, managers and asset owners of alternative investments together to focus on how to better navigate the complexities of ESG in alternative investments. The Symposium provided a forum for discussion, as well as input from industry specialists on the current ESG environment and expected direction of travel.
3. Providing an investor relations guidance session for Alternative Investment Managers Association (“AIMA”) members on ESG industry issues. This covered everything from upcoming regulatory changes to how ESG is evolving within both traditional and alternative asset classes.

Engagement escalation

When engaging with underlying managers, there are no restrictions on escalation activities if criteria are not met. The response will be tailored based on the nature and materiality and proportionality of the concern.

These actions include but are not limited to:

- Engaging with the underlying manager’s board to discuss the concerns
- Recommending reducing exposure until the concerns have been rectified
- Undertaking additional due diligence on the manager to ascertain the root of the concerns
- Recommending that a proxy voting stance is taken against the re-election of one or more of the board of directors (including the Chair) or the annual financial report
- Making a recommendation to divest from a manager

United Nations Principles for Responsible Investment (“UNPRI”)

Aurum has been a signatory to the United Nations Principles for Responsible Investment since 2013. UNPRI focuses on signatories actively integrating ESG factors into the investment process as well as being responsible stewards of assets. Furthermore, the UNPRI offers guidance and collaboration with peers to work towards a more sustainable global financial system.

Aurum received its 2021 PRI rating in September 2022 and are proud to have received the highest score of five stars for both of its eligible categories “Indirect - Hedge Funds” and “Investment and Stewardship Policy”. The PRI state this is ‘...awarded to those signatories who demonstrate leading practices within the responsible investment industry’.

We recognise that Aurum, and the wider hedge fund industry, have a long way to go to, but by opening up discussion and debating the key issues the journey can be accelerated.

Task Force on Climate-related Financial Disclosures

Reflecting Aurum’s focus on climate change and support for the Paris Agreement’s aim of keeping the increase in global average temperatures to below 2°C above pre-industrial levels, it is a supporter of the Task Force on Climate-related Financial Disclosures (“TCFD”). Aurum is starting the process of implementation of the TCFD recommendations, and include a section on TCFD as part of the annual impact report.

As one of the early adopters of TCFD reporting in the alternative assets space, this has enabled Aurum to share learnings with the wider industry. Aurum have also been engaging with underlying managers on this topic to ensure they are aware of the climate related risks and opportunities and how these can impact returns over different time frames.

Embedded Impact®

Aurum is an Embedded Impact® business where donations are structured to proportionately increase as firm AUM increases.

Aurum also offers two specific Embedded Impact Funds where donations are made by Aurum from advisor fees. Donations are made to selected environmental and humanitarian charities.

Since 2002, Aurum’s Embedded Impact approach has donated more than \$22m to charitable causes.

Further details can be found in Aurum’s 2023 ESG Impact Report available here - <https://www.aurum.com/wp-content/uploads/Aurum-ESG-Impact-Report.pdf>

People and culture approach

Aurum is committed to achieving a working environment that is underpinned by fairness to all individuals, where diversity is recognised, encouraged and valued and the concept of individual responsibility is accepted by all. Whilst much can be achieved by legislative measures, real progress in improving equality of opportunity in employment can only be achieved with a continuing commitment, throughout the organisation in all disciplines and at all levels.

The Aurum Group's approach over the last year has evolved to include the following initiatives:

1. Volunteering programme

This has been enhanced and the 2 available annual volunteering days provides opportunities for everyone to get involved and incorporates the following three elements:

1. Access to in-person volunteering with our allied charity Buglife.
2. For colleagues who already have volunteering commitments they can now use their days for this.
3. For those colleagues who would like to arrange their own group volunteering options or have seen an external project they'd like to partake in they are now able to use their volunteering days for this.

2. Aurum Bursary

To actively enhance and diversify the talent pipeline, Aurum awarded two full university bursaries to promising ARK school students starting September 2021.

1. The bursaries combine financial support to cover both fees and living expenses with practical support in the form of a comprehensive internship programme and ongoing mentoring.
2. The internships were at both Aurum Research Limited, and at Synchronicity Earth which is a UK based conservation charity and has a long history with Aurum. As part of the internship programme, the students work on collaborative projects.
3. This combined approach will remove the financial burden of higher education while providing excellent opportunities for the students in two competitive fields.

3. Recruitment approach

Over 2021, the Aurum Group evolved recruitment processes to be more inclusive:

1. To focus the job description on those skills and qualifications that are essential for the job rather than having a 'wish list' of nice to haves.
2. To look at the gender split of words used in job descriptions and advertisements. A neutral split of language between words traditionally seen as masculine (leading, ambitious, aggressive etc) and those as feminine (nurturing, collaborating, committed etc) has been shown to increase the diversity of applicants across diversity dimensions.
3. To include a statement on Diversity, Equity and Inclusion in each job description which is tailored to the business and shows Aurum's commitment to this area.

These changes have been shown to encourage more diverse applicants to apply and the recruitment process will be continue to be evaluated and enhanced.

To aid colleagues to build resilience, ARL's Heads of Department are being trained in the IHeart Resilience Framework. This focuses on the 'Learn, Apply, Use' method, which focuses on understanding how the mind works, progresses to applying this to specific challenges and culminates in implementing the gained skills. The Framework focuses on creating deep, meaningful and lasting change.

Travel approach

The Aurum Group have a considered approach to travel, where there is a focus on ensuring business travel is sustainable and as carbon efficient as possible. These guidelines are included as part of the Expenses Policy, which is available on request.

In practice this means being conscious of where hotels are in relations to meetings and scheduling a number of meetings in each location to minimise travel.

The expenses system has been adapted to record the carbon footprint from the hotel stays and travel activities undertaken by Aurum Group colleagues, so these can accurately be used to calculate the business carbon footprint.

Supplier policy

ARL and AFL have an environmental purchasing policy to encourage reducing use of consumables and where this is not possible that any suppliers then incorporate environmental social and performance goals.

The policy also contains reference to the Green Premium which is the additional cost of choosing more environmentally friendly options. Currently environmentally friendly options are usually more expensive than those with worse credentials, in part because the true economic and environmental costs of existing externalities like fossil fuel emissions and water usage are not fully factored into their price. Where feasible, the Green Premium will be considered in purchasing choices.

A Supplier Questionnaire is required for all suppliers to complete where more than £500 per annum is purchased.

Proxy voting

Proxy votes are received by Aurum's administrator, Northern Trust and forwarded to ARL's Fund Administration team who keep a spreadsheet of current and historic proxy votes, detailing the voting action, the response, the Aurum funds affected and the team member who co-ordinated the response.

The ARL Fund Administration team forwards the vote request to ARL's Operational Due Diligence team who undertake an initial assessment (consulting other specialists where necessary) and provide a recommendation to Aurum as to an appropriate course of action.

Votes are typically made for various reasons, including amongst others, approval of new fund articles, changes to fund terms (including hurdles on performance fees/redemptions), elective redemptions, tender options, fund mergers, appointment of auditors and approval of the audited financial statements.

Exclusion approach

The Aurum Funds are fund of hedge funds which invest in an array of hedge funds managed by external managers in a variety of jurisdictions. Due to the nature of investments, the sheer number of positions on a look through basis and the high turnover of investments, maintaining a full look through of underlying holdings is not practical.

However, Aurum does share a proposed exclusion list covering controversial weapon manufacturers with all underlying managers as a starting point. This list is derived from alternative publicly available sources, and Aurum recommend that managers compile their own exclusion lists from specialist data sources

Conflicts of interest

As a fiduciary, Aurum seek to place the interest of their clients first and to avoid conflicts of interests, including those that may arise from ESG activities such as voting and engagement. Aurum has a robust conflicts of interest policy and procedures that is designed to manage conflicts in the unlikely event they should arise.

Consideration of potential conflicts goes beyond ESG activities and provides a standard of conduct expected from all Aurum staff including restrictions on activities such as personal trading and gifts and entertainment. Mandatory annual training on anti-money laundering is also provided.

A full description of Aurum's approach to managing conflicts of interest is available on request.