Sustainability-related disclosures

Policy on the Integration of Sustainability Risks

The Company is subject to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector (the "**Sustainable Finance Disclosure Regulation**" or "**SFDR**").

Pursuant to the requirements of SFDR, the Company is obliged to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of each Fund. Sustainability risk is defined in SFDR as an environmental, social or governance ("**ESG**") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

As the Company delegates investment management of the Funds to the Investment Manager, it relies on the application of the Investment Manager's own sustainability risk policy in respect of each Fund. As such, the Company has adopted the Investment Manager's policy on the integration of sustainability risks.

How the Investment Manager integrates sustainability risks

The Investment Manager adheres to a sustainability risk policy. This policy is summarised below and is available on the Investment Manager's website at www.bmo.com/pyrford.

The Investment Manager does not apply negative screens to exclude entire sectors, nor does it set minimum weightings for sectors deemed to have positive sustainability credentials. The Investment Manager's approach is to consider both positive and negative ESG factors within the totality of its investment research alongside its customary regard for competitive advantage, balance sheet risk and valuation.

The Investment Manager believes the best approach to ESG research is a combination of internal analysis and specialist external independent research. However, responsibility for assessing these issues lies with the portfolio managers considering a stock for inclusion in a portfolio. These are then reviewed by the full investment team before investment can take place. The Investment Manager does not have a separate ESG team involved in research. However, representatives of all areas of the business form an ESG "Forum" to analyse broad ESG themes and to coordinate responses to client and regulatory priorities.

The Investment Manager assigns an ESG rating to every stock it researches. This rating ranges from '1' where the Investment Manager feels a company faces no material ESG risks over the next five years to '5' where a company faces moderate to high ESG risks over the same period and is not adequately addressing them. The rating is derived by examining the following factors which the Investment Manager has concluded are the most relevant to its investment philosophy and process:

(i) Environmental:
- a. GHG emissions
- b. Climate change
- c. Depletion of resources
- d. Toxic chemical use and disposal
- e. Business opportunities

(ii) Social:
- a. Social impact
- b. Health & Safety

c. Discrimination
d. Diversity
e. Political risk from involvement in troubled markets
f. Living wage

(iii) Governance:
a. Executive compensation
b. Separation of Chairman/CEO
c. Dual or single share class
d. Board independence

The ESG rating assigned to each stock will be reviewed at least annually and is presented for any new stock proposed for inclusion in a portfolio.

In considering sustainability risks as applicable to fixed income securities, the Investment Manager monitors the government level ESG rating assigned by MSCI to the countries in its fixed income universe. However, this universe is limited to sovereign bonds from governments who achieve a AA or above credit rating. The Investment Manager does not believe there is yet a reliable way of differentiating between these sovereign issuers on ESG grounds.

Integration of Sustainability Risks in the Remuneration Policy

The Company is a "financial market participant" for the purposes of the EU Sustainable Finance Disclosure Regulation (2019/2088) ("**SFDR**"). As such, the Company is required to include in this remuneration policy information on how this policy is consistent with the integration of sustainability risks. The same information (or a summary of it) must be published on the Company's website.

Sustainability risks as described under SFDR and as they relate to the Company are risks which, if they were to crystallise, would cause a material negative impact on the value of the investments made by the Funds.

The remuneration policy promotes sound and effective risk management and to avoid excessive risk taking, and has been amended to take account of sustainability risks.

The full remuneration policy is available at www.bmogam.com.

Principal adverse impacts of sustainability factors on investment decisions

The Company is required, under Article 4 of SFDR, to make certain disclosures on its website explaining whether it considers principal adverse impacts of investment decisions on sustainability factors. By 30 December 2022, the Company is required also to disclose for each Fund whether, and if so, how that Fund considers principal adverse impacts on sustainability factors.

As the Company delegates investment management of the Funds to the Investment Manager, the Company relies on the Investment Manager's approach to considering the principal adverse impacts of investment decisions on sustainability factors.

The Investment Manager is currently not considering the principal adverse impacts of its investment decisions on sustainability factors as the standardisation of data and adoption of sustainability metric reporting requires a degree of maturity before their inclusion into the investment process. The Investment Manager intends to keep the availability of data under review to assess how it can meaningfully inform its investment process.