Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Polar Capital Funds plc - Smart Energy Fund (the "Fund")
Legal entity identifier: 5493000XYVRO8AIHN823

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective: 99.0**%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

To what extent was the sustainable investment objective of this financial product met?

The Fund has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The Fund achieved its sustainable investment objective by investing in a portfolio of companies worldwide that supported, through their technology solutions and services, the decarbonisation and electrification of the global energy sector.

How did the sustainability indicators perform?

The Investment Manager measured the Fund's alignment with its sustainable investment objective on a qualitative and quantitative basis by:

1. The alignment of the Fund's investments with the Fund's eligible investment universe, as described in the 'Investment Strategy' section of the Fund's SFDR prospectus annex and website disclosures, which only includes companies that derive a significant portion of their current or future revenue from activities that are in line with the Fund's sustainable investment objective.

2. The alignment of the Fund's investments with the Investment Manager's exclusions list for the Fund, as set out in the 'Investment Strategy' section of the Fund's SFDR prospectus annex and website disclosures.

During the reference period of this annual report, the Investment Manager's eligible investment universe comprised four main themes. A breakdown of the Fund weightings to the four themes over the reference period is given below.

Fund exposures to each of the four themes over the reference period[1]:

Investment Area	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average 2023[2]
Clean Power Generation	12.7%	11.6%	4.2%	3.9%	8.1%
Energy Conversion & Storage	34.0%	36.3%	34.3%	34.5%	34.8%
Energy Efficiency	44.3%	41.4%	43.1%	46.6%	43.8%
Energy Transmission & Distribution	9.0%	10.4%	15.0%	14.6%	12.3%
Cash	0.0%	0.3%	3.5%	0.4%	1.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

[1] The table shows the percentage of the Fund's investments, on a portfolio weighted basis, aligned with investment areas contributing to the Fund's sustainable investment objective as at the relevant date.

[2] The figures show the average alignment of the Fund with each investment area during the reference period. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at the end of each quarter (i.e. 31 March, 30 June, 30 September and 31 December).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

The Fund's weighted average current or future revenue alignment to the four themes over the reference period[3]:

Investment Area	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average 2023[4]
Clean Power Generation	100.0%	100.0%	100.0%	100.0%	100.0%
Energy Conversion & Storage	71.3%	72.5%	80.1%	76.1%	75.0%
Energy Efficiency	82.0%	81.8%	78.0%	78.7%	80.1%
Energy Transmission & Distribution	73.4%	68.6%	70.9%	71.4%	71.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%
Total Weighted Average	**79.9%**	**78.9%**	**75.9%**	**77.2%**	**78.0%**

During the reference period, the Fund did not invest in any companies that were not aligned with the Fund's sustainable investment objective by virtue of not meeting the prescribed current or future revenue exposure threshold. The Investment Manager became aware of one company having potential links to tobacco-related activities during the review period, and subsequently exited the position out of an abundance of caution. The Investment Manager did not otherwise invest in companies that participated in activities linked to the Fund's exclusions criteria.

All of the Fund's equity investments during the reference period contributed to the Fund's sustainable investment objective through their exposure to one or more of the sub-themes set out above.

During the reference period, the Fund averaged 99.0%[5] in Sustainable Investments that met the sustainable investment objective, of which 100% contributed to environmental objectives.

The Fund did not use derivatives to attain its sustainable investment objective over the reference period.

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[3] The table shows the average alignment of the current or future revenues of the investee companies within each investment area (please see Figure 1 for details of the percentage of the Fund aligned with the relevant investment areas) as at the relevant date.

[4] The average is calculated as a simple average of the quarterly portfolio weighted averages as at the end of each quarter (i.e. 31 March, 30 June, 30 September and 31 December).

[5] The figure shows the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are Sustainable Investments. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

…and compared to previous periods?

Investment Area	Portfolio Average Weight 2021	Revenue Exposure 2021[6]	Portfolio Average Weight 2022	Average Revenue Exposure 2022	Portfolio Average Weight 2023	Average Revenue Exposure 2023
Clean Power Generation	6.6%	100.0%	16.0%	100.0%	8.1%	100.0%
Energy Conversion & Storage	35.7%	76.0%	29.9%	74.5%	34.8%	75.0%
Energy Efficiency	45.1%	79.1%	39.1%	83.4%	43.8%	80.1%
Energy Transmission & Distribution	12.2%	76.2%	14.6%	80.2%	12.3%	71.1%
Cash	0.4%	0.0%	0.4%	0.0%	1.0%	0.0%
Total	100.0%	78.7%	100.0%	82.6%	100.0%	78.0%

For the avoidance of doubt, neither the Fund's sustainability indicators nor the Fund's performance on those indicators are subject to assurance by an auditor or review by a third party.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Investment Manager, in compliance with the principle of Do No Significant Harm ("DNSH"), assessed each company, primarily using third party data, on whether it had an adverse impact on the environment and society.

Companies with controversies that had severe adverse impacts on the environment and society were excluded from consideration as Sustainable Investments by the Investment Manager and were, therefore, excluded from the Fund.

The Investment Manager used research from third party providers to provide deeper insights into a company's compliance with norms standards. However, given differing methodologies, tolerances and assessments of company behaviour, the Investment Manager retained discretion over the assessment of whether a company was involved in a severe controversy over the review period.

As an example, the Investment Manager excluded GCL Technology, a photovoltaic material producer, from the eligible universe during the reference period. Several investigative reports have alleged that the company is in violation of human rights. The company is alleged to have employed Uyghurs and other ethnic minorities in forced labour as part of the Chinese government's labour transfer programs where they were held in 're-education camps', subjected to abuse and kept under surveillance.

After the Investment Manager reviewed the various reports and conducted its own assessment, the Investment Manager decided to exclude the company from its

[6] Please note that the Fund launched on 30 September 2021. The Fund's 2021 thematic alignment and revenue alignment figures are therefore provided as at 31 December 2021 and do not represent a quarterly average as do the Fund's 2022 thematic alignment and revenue alignment figures.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

investable universe as it viewed its response to the reports as unconvincing in refuting the allegations.

How were the indicators for adverse impacts on sustainability factors taken into account?

As part of the DNSH assessment, consideration was given to the mandatory Principal Adverse Impacts (“PAI”) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 to the SFDR Regulatory Technical Standards.

Over the reference period, the Investment Manager carried out a screening process during the construction of its eligible investment universe to exclude any companies that significantly harm environmental or social objectives due to their involvement in a range of controversial business activities. The Investment Manager used external ESG data providers as an initial input for the screen. In addition, the Fund employs an exclusion policy that excludes investment altogether in companies that operate in sectors that are deemed to have a negative impact on the environment or society.

In circumstances where data quality or availability was insufficient to make a reasonable judgement on a quantitative basis with respect to any of the mandatory PAI indicators provided in Table 1, and where applicable Tables 2 and 3, the Investment Manager, to the best of its ability, used proxy indicators, such as controversy cases or norms violations related to negative impacts on the relevant sustainability indicator to assess harm caused by the company, and assessed the relevance and materiality of the principal adverse impact indicator to the company, using industry expertise and any data available.

As an example, Linde Plc, a leading industrial gas producer that operates in a high impact sector relating to carbon emissions and energy use, was flagged for further investigation due to its high carbon emissions and energy usage. After assessing its sustainability performance relating to carbon emissions and energy use, the Investment Manager decided to keep the company in the universe and the Fund.

Industrial gases have a key role in decarbonising industries. Linde provides solutions such as green or low carbon hydrogen that are used in refineries, fertilizer production, steel manufacturing and mobility applications, as well as providing carbon capture of carbon dioxide streams from gasifiers and hydrogen plants.

Linde Plc has set SBTi targets, committed to reduce Scope 1 and 2 GHG emissions by 35% by 2035, compared to its 2021 emissions baseline, and has a roadmap to climate neutrality by 2050. Its absolute emissions are stable. The company targets, which include both absolute GHG reduction and intensity, are laid out in its decarbonisation pathway.

Further to this, the company’s energy use intensity trend has also been stable and is in line with its industry peers. Its reduction commitments include increasing renewable energy usage by 3 times, developing a zero-emissions vehicle fleet by 2050 using hydrogen fuel cell and EVs, switching from sourcing raw materials via fossil fuels to emissions-neutral sources such as synthetic fuels and using carbon capture and green hydrogen solutions. It has also laid out its long-term energy reduction roadmap.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Investment Manager used third party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conducting further due diligence to determine compliance with these norms.

To ensure that Sustainable Investments were aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the Fund excluded companies deemed to have been involved in severe violations of the UNGC principles and OECD Guidelines using third party controversy research related to these global norms.

How did this financial product consider principal adverse impacts on sustainability factors?

As part of its do no significant harm assessment ("DNSH") with respect to sustainable investments, the Investment Manager considered the mandatory Principal Adverse Impacts (PAI) indicators provided in Table 1 (and where applicable, Tables 2 and 3) of Annex 1 of the Regulatory Technical Standards.

Where material, the Investment Manager considered the following principal adverse impacts of a company on the environment and society in the manner described below.

Unless subject to an exclusion, either as a result of the application of the exclusions policy or as a result of a principle adverse impact indicating that the company causes significant harm to a sustainable investment objective, where it was deemed necessary or prudent, the Investment Manager sought to improve the adverse impacts of investee companies through active ownership activities such as engagement, voting or if necessary, divestment from the company within a reasonable timeframe, taking into consideration the best interests of the Fund and its Shareholders.

Factors considered when assessing a company's impact on the environment included GHG emissions, including, but not limited to, indicators such as absolute emissions, carbon footprint, emissions intensity, energy consumption and/or production profile and carbon reduction initiatives. Revenues of investee companies attributed to the fossil fuel sector were considered by the Investment Manager.

In accordance with the Fund's exclusions criteria, companies involved in the exploration, production and distribution of oil, natural gas, coal, and the first generation of biofuels (derived from food crops) are excluded. Furthermore, utilities with fossil fuel or nuclear power generation, as well as natural gas transmission and distribution utilities, are also excluded.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

Similarly, the Investment Manager considered the biodiversity impact of, the water use of and hazardous waste generated by a company, where deemed material.

The Investment Manager considered the board gender diversity and, where possible, gender pay gap of investee companies.

The Investment Manager considered the standards of the United Nations Global Compact ('UNGC'), and the Organisation for Economic Co-Operation and Development's ('OECD') Guidelines for Multinational Enterprises. If a company is involved in severe controversies or norms violations, the Investment Manager assesses the severity of the incident and decided the appropriate action of whether to monitor, enter enhanced engagement, or divest from the company.

During the reference period, no investee companies were deemed to be in violation of the standards of the United Nations Global Compact, and the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises.

The Investment Manager excluded any company involved in the manufacture and sale of controversial weapons, such as cluster munitions and anti-personnel mines.

While the Fund considers principal adverse impacts on sustainability factors primarily at company level, the below table highlights the portfolio performance in relation to selected PAI indicators compared to the Fund's benchmark.

Indicator[7]		**Fund**	**Fund Coverage**	**Benchmark**	**Benchmark Coverage**	**Relative %**[8]
GHG Emissions (TCO2e)	Scope 1	5,898.5	99.6%	13,130.3	99.8%	-55.1%
	Scope 2	6,388.9	99.6%	2,989.8	99.8%	113.7%
	Scope 1 & 2	12,287.4	99.6%	16,120.1	99.8%	-23.8%
Carbon Footprint (TCO2e/ €m Invested)	Scope 1 & 2	46.0	99.6%	60.1	99.8%	-23.5%
GHG Intensity (TCO2e / €m Revenue)	Scope 1 & 2	157.7	99.6%	157.2	99.8%	0.3%
Weighted Average Carbon Intensity (TCO2e / $m Revenue)	Scope 1 & 2	191.2	99.6%	126.9	99.8%	50.6%
Female Board Representation (%)		29.7%	99.6%	33.1%	99.9%	-9.8%

[7] Source: MSCI ESG Ratings and Climate Change Metrics: GHG emissions, GHG emissions footprint and GHG intensity and board gender diversity data as of 31 December 2023. Benchmark: MSCI ACWI Net TR Index. The allocated emissions of investee companies are calculated using the companies' Enterprise Value Including Cash. Scope 1 and 2 GHG emissions are representative of the Fund's AUM of €268.2 m as of 31 December 2023. The Fund and benchmark metrics have been grossed to 100% where coverage is not equal to 100% to provide a representative estimation of all portfolio investments emissions and for comparative purposes. Please note figures are provided for comparative and illustrative purposes only and should not be relied upon. Figures have not been independently audited by the Investment Manager and may be subject to quality, timing, consistency, availability and calculation issues. Data may be limited or distorted due to a lack of sustainability related regulations and reporting standards in the countries where investee companies are domiciled, the inconsistency of those regulations and reporting standards where applicable, or by companies' interpretations of those regulations and reporting standards or, in the case of GHG metrics, subject to adjustment as a result of changes in calculation methodology or improved data availability.

[8] The figures shown demonstrate the difference in performance of the Fund and the benchmark on each metric based on 100% data coverage (whether achieved or estimated).

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Marvell Technology	Technology	6.4%	United States
Wolfspeed	Technology	5.9%	United States
ON Semiconductor	Technology	5.5%	United States
Linde	Materials	4.6%	United States
Renesas Electronics	Technology Hardware & Equipment	4.4%	Japan
Lattice Semiconductor	Technology	3.9%	United States
Hydro One	Utilities	3.8%	Canada
Vertiv Holdings	Industrial	3.5%	United States
Boralex	Utilities	3.5%	Canada
Silergy	Technology	3.3%	Cayman Islands
Autodesk	Technology	3.2%	United States
Azbil	Industrial	3.0%	Japan
Lennox International	Industrials	2.9%	United States
MP Materials	Basic Materials	2.9%	United States
Analog Devices	Technology Hardware & Equipment	2.7%	United States

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

What was the asset allocation?

The Fund invests primarily in companies worldwide that support, through their technology solutions and services, the decarbonization and thereby electrification of the global energy sector.

All investments held by the Fund in equity participations were used to meet the Fund's sustainable investment objective.

During the reference period, the Fund averaged 99.0%[9] in Sustainable Investments that met the Fund's sustainable investment objective, of which 100% contributed to environmental objectives.

Please note that figures given in the asset allocation section below indicate the percentage allocation of the fund to each category (e.g. '#1 Sustainable', 'Environmental' etc.)

[9] This is the percentage of the Fund's assets, including cash, on a portfolio weighted basis, that are Sustainable Investments. The average is calculated as a simple average of the Fund's quarterly portfolio weighted alignment as at each calendar quarter end (i.e. 31 March, 30 June, 30 September and 31 December).

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

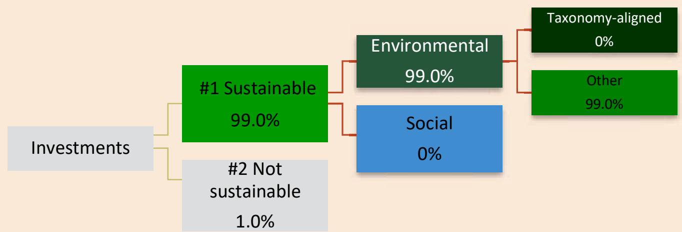
Smart Energy Fund continued

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

Economic Sector	% Assets[10]
Technology	34.5%
Industrial	17.8%
Technology Hardware & Equipment	13.0%
Materials	9.6%
Utilities	7.2%
Basic Materials	6.3%
Energy	4.0%
Industrials	3.7%
Communications	1.6%
Consumer, Cyclical	1.2%
Consumer Discretionary	1.0%

In accordance with the Fund’s exclusion criteria, investments in fossil fuel exploration and production companies, as well as in utilities with thermal fossil power generation, are prohibited and, therefore, the Fund did not have any exposure to fossil fuels over the review period.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The proportion of investments of the Fund in transitional and enabling activities, and aligned with the requirements of the Taxonomy Regulation, was 0% over the reference period.

[10] This shows the percentage of the Fund’s assets within each economic sector as at 31 December 2023

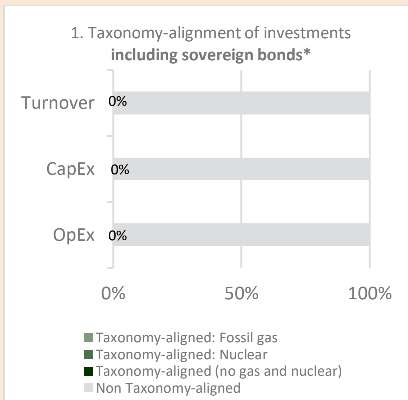
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[11]?

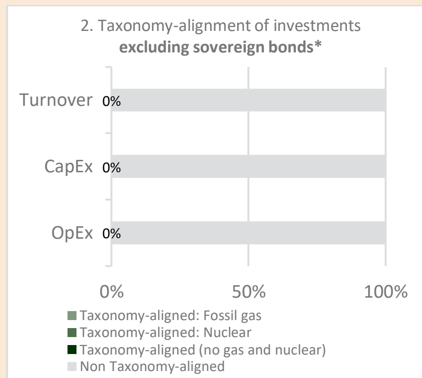
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What was the share of investments made in transitional and enabling activities?

The proportion of investments of the Fund in transitional and enabling activities, and aligned with the requirements of the EU Taxonomy Regulation, was 0% over the reference period.

[11] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

During the previous reference period, the Fund was 0% aligned with the EU Taxonomy Regulation and during this reference period the Fund was 0% aligned with the EU Taxonomy Regulation.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

During the reference period, the Fund averaged 99.0% in Sustainable Investments that met the Fund's sustainable investment objective, of which 100% contributed to environmental objectives not aligned with the EU Taxonomy Regulation.

In order to satisfy itself that an investment is environmentally sustainable pursuant to the EU Taxonomy Regulation, the Investment Manager must (a) be satisfied that the investments underlying the Fund are in environmentally sustainable activities (b) identify the extent to which the investments of the Fund are in economic activities that qualify as environmentally sustainable and are aligned with the EU Taxonomy Regulation; (c) identify the proportion, as a percentage of the Fund's portfolio, of investments in environmentally sustainable activities which are aligned with the EU Taxonomy Regulation; and (d) identify the proportion, as a percentage of the Fund's portfolio, of enabling and transitional activities (as described in the EU Taxonomy Regulation).

At the present time, the Investment Manager cannot satisfy itself that the Fund's investments meet the criteria outlined above. Accordingly, the proportion of investments of the Fund in environmentally sustainable economic activities contributing to climate change mitigation, including in transitional and enabling activities, and aligned with the requirements of the EU Taxonomy Regulation is 0% of the Fund's net assets.

What was the share of socially sustainable investments?

The Fund will be invested in Sustainable Investments contributing to environmental objectives only. Therefore, the Fund's share of socially sustainable investments was 0% over the reference period.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The Fund's investments identified as #2 Not Sustainable averaged 1.0% over the review period and consisted of cash for liquidity purposes. There are no minimum environmental or social safeguards applicable to these investments.

What actions have been taken to attain the sustainable investment objective during the reference period?

Over the reference period, the Investment Manager maintained the Fund's eligible investment universe across four investment themes; (i) Clean Power Generation; (ii)

Energy Conversion and Storage; (iii) Energy Efficiency; and (iv) Energy Transmission and Distribution. The alignment of a company with the four investment clusters was determined by its current or future revenue exposure to these themes.

The Fund only invested in companies within the eligible investment universe and, therefore, all the companies in the portfolio passed the necessary minimum thematic threshold and did not breach the SFDR's principles of 'do no significant harm' and 'good corporate governance'.

The eligible investment universe maintained by the Investment Manager serves as a reference portfolio to the Fund, both in terms of financial performance and in terms of contribution to the sustainable investment objective. The Investment Manager reviewed the companies that qualify for the eligible investment universe on a periodic basis during the reference period and companies that were not aligned with the Fund's sustainable investment objective, by virtue of not meeting the prescribed current or future revenue exposure threshold, not passing the DNSH assessment (including with reference to PAI indicators) or not having good governance practices, were excluded from the eligible investment universe. Further companies that participated in activities linked to the Fund's exclusion criteria were excluded from the eligible investment universe.

Similarly, additional new companies that met the previously mentioned criteria were added to the eligible investment universe. An example is the addition of Thyssenkrupp Nucera ('Nucera'), a green hydrogen electrolysis technology company, to the universe and the Fund during the review period.

The company enables its customers to transform into a net zero and carbon free industry by converting renewable power into green hydrogen. Nucera's alkaline electrolyser technology transforms renewable energy and water into green hydrogen, replacing conventional carbon-intensive grey hydrogen used in fertilizer production, refineries and semiconductor production. Furthermore, green hydrogen helps to decarbonize the transportation sector (long-haul heavy-duty trucks, trains, shipping, sustainable aviation fuel) as well as industries such as steel and cement manufacturing. We expect that green hydrogen will play a major role in the seasonal storage of renewable energy. Therefore, the company enables the decarbonization and electrification of the global energy sector, attaining the sustainable investment objective. The company is allocated to the Energy Transmission and Distribution investment theme.

The Investment Manager did engage with an investee company involved in the production of rare earth products in 2022 where it felt that there was room for material sustainability improvement in addressing the environmental and social impacts of its activities over the reference period. This engagement is still ongoing. The Investment Manager's approach is dedicated and focused engagement to discuss material ESG issues that are relevant to the specific business case. The Investment Manager generally conducts 1-3 year direct engagement dialogues with selected companies where it deems necessary. The Investment Manager did not carry out any new engagement activity in 2023.

The Investment Manager also excluded X-Fab, a foundry for analogue semiconductor applications, during the reference period due to a PAI flag on good corporate governance with votes against a director. The Investment Manager reviewed various reports and

Appendix III – Sustainable Finance Disclosure Regulation (unaudited) continued

Smart Energy Fund continued

conducted its own assessment. The Investment Manager decided to exclude the company from its investable universe as it was unclear regarding the qualification of the director to be on the board. The Fund was not invested in either company.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

How did this financial product perform compared to the reference sustainable benchmark?

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

- ***How did the reference benchmark differ from a broad market index?***

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

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

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

- ***How did this financial product perform compared with the reference benchmark?***

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

- ***How did this financial product perform compared with the broad market index?***

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