
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD SEEK ADVICE FROM YOUR INDEPENDENT LEGAL, FINANCIAL OR PROFESSIONAL ADVISOR IMMEDIATELY. IF YOU HAVE SOLD OR TRANSFERRED ALL OF YOUR SHARES IN NOMURA FUNDS IRELAND - GLOBAL HIGH YIELD BOND FUND PLEASE HAND THIS DOCUMENT AND THE DOCUMENTS ACCOMPANYING IT AT ONCE TO THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR THE TRANSFEREE AS SOON AS POSSIBLE.

**CIRCULAR TO SHAREHOLDERS OF
NOMURA FUNDS IRELAND - GLOBAL HIGH YIELD BOND FUND
(THE "SUB-FUND")
A SUB-FUND OF
NOMURA FUNDS IRELAND PLC
(THE "COMPANY")**

Notice of the Extraordinary General Meeting of Shareholders of the Sub-Fund, to be held on 20th October, 2021 is attached at the end of this document.

If you are a registered holder of Shares in the Sub-Fund, a form of proxy for use in connection with the meeting of the Sub-Fund is enclosed with this document. You are requested to complete the form of proxy in accordance with the instructions printed on the form and to forward it to the address shown on the form as soon as possible and in any event so as to arrive not later than forty-eight hours before the time appointed for the meeting.

If your Shares are registered in the name of a nominee you should instruct your nominee as to how you wish to vote immediately to allow your nominee to vote by the time appointed for the meeting.

The Directors of the Company accept responsibility for the accuracy of the contents of this document.

NOMURA FUNDS IRELAND PLC

Registered Office: 33 Sir John Rogerson's Quay, Dublin 2, Ireland

To: The Shareholders of:

Nomura Funds Ireland - Global High Yield Bond Fund (the "Sub-Fund")

Date: 28th September, 2021

Proposed Amendment to the investment objective and Investment Policy of the Sub-Fund

Dear Shareholder,

We are writing to you as Directors of Nomura Funds Ireland plc (the "Company") to seek your approval to certain amendments to the investment objective of the Sub-Fund.

Details of the proposed changes and the action you should take are set out in this circular and the Appendices attached hereto. Please note that an Extraordinary General Meeting of the Sub-Fund is to be held at which you can vote by attending in person or voting by proxy, as set out in this circular and the Appendices attached hereto.

Capitalised terms used herein shall have the same meaning as set out in the Sub-Fund Supplement. In addition, the following terms shall have the following meanings:

"SFDR" means Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector.

"Sustainable Investment" shall be interpreted in accordance with Article 2 of SFDR, meaning an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Amendment of the investment objective of the Sub-Fund

Currently, the investment objective of the Sub-Fund as set out in Section 5 of the Sub-Fund Supplement dated 1st April, 2021 provides as follows:

“The investment objective of the Sub-Fund is to achieve current yield and capital gains, through investment in a diversified portfolio of primarily high yielding Debt and Debt-Related Securities issued in the United States or major eurobond developed markets.”

It is proposed to amend the investment objective as set out in Section 5 of the Sub-Fund Supplement in order to provide that the Sub-Fund has sustainable investment as its objective, by updating the wording in Section 5 of the Sub-Fund Supplement to provide as follows:

“The Sub-Fund has Sustainable Investment as its investment objective and seeks to achieve current yield and capital gains through investment in a diversified portfolio of primarily high yielding Debt and Debt-Related Securities issued in the United States or major Eurobond developed markets.”

Amendment of the investment policy of the Sub-Fund

It is proposed to amend the investment policy as set out in Section 6 of the Sub-Fund Supplement in order to reflect how the Sub-Fund will achieve its objective of sustainable investment, by updating the wording in the first paragraph of Section 6 of the Sub-Fund Supplement to provide as follows:

“In order to achieve its objective of Sustainable Investment, the Sub-Fund shall invest in a diversified portfolio of primarily high yielding Debt and Debt-Related Securities, issued in developed markets principally by companies which are listed or traded on a Recognised Exchange and which constitute Sustainable Investments, as further described in the Section headed “Environmental, Social and Governance Factors” below.”

Further, the following wording will be inserted as a new section in the investment policy of the Sub-Fund to be headed “Environmental, Social and Governance Factors”:

“Environmental, Social and Governance Factors

The Sub-Fund has Sustainable Investment as its objective in a way that meets the criteria contained in Article 9 of SFDR. Further, the management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager. The manner in which sustainability risk is integrated into the investment decisions of the Sub-Fund is disclosed in Section 8 hereof under the heading “Sustainability Risks”, in accordance with Article 6 of SFDR.

In order to achieve its Sustainable Investment objective, the Sub-Fund shall invest in securities of issuers that the Investment Manager views as contributing to environmental and/or social objectives. Environmental objectives may include reducing the use of energy, other raw materials, land or water, reducing waste or emissions, or promoting biodiversity or the circular economy. Social objectives may include creating opportunity, fostering human development and spreading prosperity.

Identification and Selection of Sustainable Investments

In order to identify Sustainable Investments, the Investment Manager's analysts will assign proprietary ESG scores based on their holistic analysis of the issuer's ESG risk, disclosure and planning. The Investment Manager assigns the proprietary ESG scores for the vast majority of the global high yield universe, utilising a process that incorporates an assessment of three areas: 1) the issuer's ESG/sustainability risk as negligible, non-material, material, significant or severe, 2) the issuer's ESG disclosure, and 3) the issuer's plans to mitigate such risk. The scale of the ESG scores is primarily an absolute one to eight rating scale, but can also be applied as a relative rating scale within sectors, if appropriate. The Sub-Fund will be restricted to investing in issuers assigned an ESG score of one to five by the Investment Manager, using the Investment Manager's one to eight absolute scale.

Bonds under consideration for investment will be further researched to confirm that the issuers of such bonds will constitute Sustainable Investments. Within this assessment, the Investment Manager will link the economic activity of the issuer to an environmental objective via the issuer's use of energy or other resources, its management of waste or greenhouse gas emissions, or other attributes of the issuer, and/or a social objective via the issuer's impact on its customers, employees, community, or society at large. The Investment Manager will also seek to confirm that the issuers of bonds under consideration for investment do not significantly harm environmental and social objectives.

In the process of ranking issuers and identifying Sustainable Investments, the Investment Manager will utilise analysis provided by its in-house analysts, company reports and/or engagement with companies, data and analysis from recognised third party ESG data providers ("Data Providers"), information from various third party Non-Governmental Organisations (NGOs) whose mission is relevant to the issuer in question, and/or data from other sources such as industry reports and other third party research reports. The Investment Manager's assessment and proprietary ESG scores may differ from those of the Data Providers.

Governance Practices

The Investment Manager has set a binding obligation to make a thorough assessment of the governance practices of the issuers under consideration for investment (including sound management structures, employee relations, remuneration of staff and tax compliance). The Investment Manager has a proprietary assessment process for the evaluation of governance practices of issuers. Within this assessment, the Investment Manager will utilise analysis provided by its in-house analysts, company reports or engagement with companies, and/or data and analysis from Data Providers where appropriate. The assessment will seek the following attributes in the issuers: 1) the issuer discloses environmental, social and/or governance information and shows understanding of the related risks; 2) the issuer has an appropriate remuneration policy for executives with regard to incentives; 3) the issuer has a track record of treating bondholders and other investors fairly; 4) the issuer has a history of tax compliance.

The Investment Manager is a signatory to the UN Principles for Responsible Investment (the "UNPRI") since 2013.

Ongoing Monitoring

The Investment Manager implements the above strategy on a continuous basis and will monitor and assess the progress of issuers in their environmental and/or social objective on a periodic

basis. In order to carry out such assessment, the Investment Manager will utilise analysis provided by its in-house analysts, company reports and/or engagement with companies, data and analysis from Data Providers, information from various third party NGOs, whose mission is relevant to the company in question, and/or data from other sources such as industry reports and other third party research reports.

For each Sustainable Investment made by the Sub-Fund, the Investment Manager identifies the specific environmental and/or social objectives that apply to the investment and the relevant sustainability indicators that impact the objective. As an example, if a company is identified as contributing to the environmental goal of reduction of greenhouse gases, the Investment Manager would seek to measure the company's absolute emissions and/or emissions intensity. The Investment Manager will monitor these sustainability indicators on an ongoing basis to confirm that the investment continues to satisfy the requirements of contributing to the Sub-Fund's environmental and/or social objective. These indicators will be reported annually within the Investment Manager's impact report."

Full details of the changes to the investment objective and investment policy of the Sub-Fund are set out in **Appendix B** hereto.

Rationale for change

The Investment Manager of the Sub-Fund has incorporated analysis of sustainability risks into its evaluation of investment opportunities for many years. As the Investment Manager's sustainability analysis has evolved, the Investment Manager believes that its research is suitable to differentiate issuers in ways that would allow the Sub-Fund to change its investment objective and select investments that are compatible with SFDR Article 9 requirements.

Accordingly, the rationale for the changes set out above is to amend the investment objective and policy of the Sub-Fund to reflect the proposed re-classification of the Sub-Fund as an Article 9 fund for SFDR purposes.

A webinar that explains the details of the above changes is available (at <https://www.nomura-asset.co.uk/funds/fund-range/nomura-funds-ireland-global-high-yield-bond-fund/>) and one-on-one meeting could be arranged upon request by email to Andrew Whitaker (Email: csteam@nomura-asset.eu).

Change of Name of Sub-Fund

In order to align the name of the Sub-Fund with the proposed re-classification of the Sub-Fund as an Article 9 fund under SFDR, subject to the approval by Shareholders of the changes to the investment objective and policy of the Sub-Fund as set out above, it is proposed to change the name of the Sub-Fund from Nomura Funds Ireland - Global High Yield Bond Fund to Nomura Funds Ireland – Global Sustainable High Yield Bond Fund.

Change of Name of Index

Shareholders are advised that the name of the Index of the Sub-Fund has changed from the "ICE BofA Merrill Lynch Developed Markets High Yield Constrained Index" to the "ICE BofA Developed Markets High Yield Constrained Index". Shareholders are advised that this change is merely to reflect the change of name of the Index, and therefore, the constituents of the Index have not changed.

Shareholders should note that the Index is not consistent with the sustainable investment policy referred to above but rather is a broad market Index.

Effective Time

Subject to shareholder approval, the changes to the investment objective and policy and the name of the Sub-Fund will become effective at midnight on or about 4th November, 2021 or such later date as the Directors of the Company shall agree as being the effective date (the "Effective Date"). Notice of the Extraordinary General Meeting of the Sub-Fund, at which the necessary resolution to amend the investment objective and policy of the Sub-Fund, is attached at **Appendix A**.

The change to the name of the Sub-Fund will also take effect from the Effective Date.

Action to be taken

In order to consider the proposal set out in this document, you are advised first to read all the enclosed documentation. If you have any questions you should contact your financial adviser.

In **Appendix A** to this document, you will find a Notice convening an Extraordinary General Meeting of the Shareholders of the Sub-Fund on 20th October, 2021 at which the necessary resolution will be put to the Shareholders of the Sub-Fund.

Shareholders should vote either by attending the Extraordinary General Meeting of the Sub-Fund or by completing and returning the form of proxy for the Sub-Fund enclosed with this Circular. If you wish to vote at the Extraordinary General Meeting of the Sub-Fund by proxy you should complete and return the form of proxy for the Sub-Fund by email to tudortrust@dilloneustace.ie. To be valid, the form of proxy must be received not later than forty-eight hours before the time fixed for holding the Extraordinary General Meeting.

If your Shares in the Sub-Fund are registered in the name of a nominee, you can exercise your vote in relation to those Shares only by directing the registered holder to vote on your behalf.

If you have sold or transferred all of your Shares, you should pass this document, together with the relevant accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was made for transmission to the purchaser or transferee.

Two members present either in person or by proxy shall constitute a quorum for the purposes of the meeting of the Sub-Fund. If a quorum is not present within half an hour from the time appointed for the Extraordinary General Meeting, the Extraordinary General Meeting will be adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

Shareholders are advised that subject to the approval of Shareholders as set out above, the change to the investment objective and policy and the name of the Sub-Fund described herein will be set out in an updated Supplement of the Sub-Fund, which will be available from the Company's administrator, Brown Brothers Harriman Fund Administration Services (Ireland) Limited, free of charge once it has been issued on or about 4th November, 2021.

If you have any queries relating to these matters, please contact James Tucker (Email: James.Tucker@nomura-asset.co.uk). Telephone: +44 (0)20 7521 1841). Telephone calls may be recorded.

Notification

After the Extraordinary General Meeting of the Sub-Fund, the Directors of the Company will write to Shareholders of the Sub-Fund in order to advise them of the outcome of the Extraordinary General Meeting of the Sub-Fund. In the event that the resolution is passed at the Extraordinary Meeting of the Sub-Fund, Shareholders will be given the opportunity to redeem their Shares prior to the implementation of the proposed change.

COVID-19 Measures

The Directors of the Company considers the health of shareholders, attendees and staff a top priority and has implemented, and will continue to implement, the measures advised by the Health Service Executive (“HSE”) to minimise the spread of COVID-19.

With a view to reducing COVID-19 transmission at the upcoming Extraordinary General Meeting (“EGM”), please note the following:

- Shareholders are strongly encouraged to appoint a proxy to attend and vote at the EGM on their behalf, as the preferred means of fully and safely exercising their rights, as personal attendance at the EGM may present a risk to themselves and others;
- Shareholders are encouraged to submit questions in advance to tudortrust@dilloneustace.ie;
- The EGM will be held in accordance with HSE guidance, accordingly:
 - the meeting will be conducted with the minimum quorum required ;
 - as above personal attendance is not recommended and shareholders are encouraged to appoint proxies;
 - votes will be by show of hands. Where any resolution is defeated, only then will there be a poll. (The chairman will bring a pre-completed polling card);
- It is recommended that shareholders keep up-to-date with HSE guidance regarding travel, self-isolation and health and safety precautions.

Yours faithfully,



Director
Nomura Funds Ireland plc

APPENDIX A

NOMURA FUNDS IRELAND PLC

(THE "FUND")

NOTICE OF EXTRAORDINARY GENERAL MEETING OF

NOMURA FUNDS IRELAND - GLOBAL HIGH YIELD BOND FUND

(THE "SUB-FUND")

NOTICE is hereby given that an Extraordinary General Meeting of the Sub-Fund will be held at the registered office of Nomura Funds Ireland plc at 33 Sir John Rogerson's Quay, Dublin 2, Ireland on 20th October, 2021 at 10.15 a.m. for the purpose of considering and if thought fit passing the following resolution as an Ordinary Resolution:-

"That, subject to Central Bank approval, the changes to the investment objective and investment policy of the Sub-Fund as described in the Circular to Shareholders in the Sub-Fund dated 28th September, 2021 be and are hereby approved."

Dated this 28th September, 2021



**For and on behalf of
Nomura Funds Ireland plc**

Note: A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint a proxy who need not be a Shareholder of the Sub-Fund to attend and vote for him.

FORM OF PROXY

NOMURA FUNDS IRELAND PLC (THE "COMPANY")

NOMURA FUNDS IRELAND - GLOBAL HIGH YIELD BOND FUND

(the "SUB-FUND")

I/We _____
being a Shareholder(s) of the Sub-Fund, hereby appoint
_____ of _____

or in the absence of the appointment of any specified person or in the event of a nominated proxy being unable to attend the Extraordinary General Meeting, the Chairperson of the Meeting or failing him/her* any representative from Tudor Trust Limited of 33 Sir John Rogerson's Quay, Dublin 2 as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting of the Sub-Fund to be held at the registered office of Nomura Funds Ireland plc at 33 Sir John Rogerson's Quay, Dublin 2, Ireland on 20th October , 2021 at 10.15 a.m. and at any adjournment thereof.

*strike through as appropriate

Shareholder Account Number: _____

Signature: _____ **Date:** _____ **2021**

Please indicate with an "X" in the spaces below how you wish your vote to be cast.

Ordinary Resolution

"That, subject to Central Bank approval, the changes to the investment objective and investment policy of the Sub-Fund as described in the Circular to Shareholders in the Sub-Fund dated 28 th September, 2021 be and are hereby approved."	For <input type="checkbox"/>	Against <input type="checkbox"/>
---	--	--

Notes

1. A registered Shareholder of the Nomura Funds Ireland - Global High Yield Bond Fund is entitled to attend and vote at the Shareholders' Meeting or is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a Shareholder.
2. If the appointed proxy is a corporation, this form must be under the common seal or under the hand of an officer or attorney duly authorised on his behalf.
3. To be valid this Form of Proxy must be fully completed and deposited at the registered office of Nomura Funds Ireland plc at the address indicated on the form, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting unless otherwise indicated in the circular to Shareholders.
4. The signature of the Shareholder must be witnessed by a notary public or other duly authorised public official. In order to cast the Shareholder's vote as specified in the Form of Proxy, the proxy/representative must be present at the appointed place, date and time, as specified herein, and bring his/her passport.
5. A poll may be taken on the Ordinary Resolution. Every Shareholder entitled to vote who is present in person or by proxy will have one vote for every Share of which he is a Shareholder. A person entitled to more than one vote need not use all his votes or cast them the same way.
6. In the case of joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority shall be determined by the order in which the names appear in the register of Shareholders of the Nomura Funds Ireland - Global High Yield Bond Fund.

APPENDIX B

PROPOSED CHANGES TO THE INVESTMENT OBJECTIVE AND POLICY OF THE SUB-FUND

Investment Objective

The Sub-Fund has Sustainable Investment as its investment objective and seeks to achieve current yield and capital gains through investment in a diversified portfolio of primarily high yielding Debt and Debt-Related Securities issued in the United States or major Eurobond developed markets.

Investment Policy

In order to achieve its objective of Sustainable Investment, the Sub-Fund shall invest in a diversified portfolio of primarily high yielding Debt and Debt-Related Securities, issued in developed markets principally by companies which are listed or traded on a Recognised Exchange and which constitute Sustainable Investments, as further described in the Section headed “Environmental, Social and Governance Factors” below.

Investors should note that high yielding securities generally have a high volatility, as further described in Section 8 of this Supplement.

The Sub-Fund may invest in Debt and Debt-Related Securities issued by corporations, limited liability companies or limited partnerships, other forms of enterprise and in sovereign and quasi-sovereign Debt and Debt-Related Securities.

The Sub-Fund may hold Equity and Equity-Related Securities, which may or may not be listed or traded on a Recognised Exchange, that it receives or acquires in connection with its ownership of some of the Debt and Debt-Related Securities held by the portfolio, such as defaulted high yield securities in the course of reorganisation which are subsequently converted into Equity and Equity-Related Securities. Where such securities are not listed nor traded on a Recognised Exchange, then the ability of the Investment Manager to dispose of these securities in a timely manner may be restricted.

Under normal circumstances, the Sub-Fund will invest at least 80% of its net assets in Debt and Debt-Related Securities that are rated below investment grade by at least one rating agency or are unrated. No more than 30% of the Sub-Fund's net assets may be invested in Debt and Debt-Related Securities with a rating of lower than B3/B- by both Moody's and S&P, respectively or which are deemed to be of equivalent quality by the Investment Manager.

Subject to Section 2.1 of Appendix 1, the Sub-Fund may invest up to 10% of its net assets in loans, loan participations and/or loan assignments, which constitute transferable securities or money market instruments.

No more than 5% of the Sub-Fund's net assets may be invested in the Debt and Debt-Related Securities of any one issuer and no more than 25% of the Sub-Fund's net assets may be invested in Debt and Debt-Related Securities in any one industry (as defined by reference to ICE BofA Level 4 Industry Classification which comprises a detailed sector classification for constituents of the ICE BofA global fixed income universe).

The Sub-Fund is considered to be actively managed in reference to the Index by virtue of the fact that it uses the Index for performance comparison purposes. Certain of the Sub-Fund's securities may be components of and may have similar weightings to the Index. However, the Sub-Fund may deviate significantly from the Index and the Investment Manager may use its discretion to invest in companies or sectors not included in the Index. Investors should note that the Index is not consistent with the sustainable investment policy referred to above but rather is a broad market Index, as described above in Section 4.

Investment Strategy

The Sub-Fund seeks to achieve its Sustainable Investment objective by investing in Debt and Debt-Related Securities of issuers that contribute to the sustainable development of society and/or the environment and which also provide attractive return.

The investment strategy for the Sub-Fund will be based initially on an allocation to two regional sectors: US High Yield and Euro High Yield. The Index allocation is used as a normal base allocation for the Sub-Fund subject to potential sector opportunities.

When making an allocation shift among regions, the Investment Manager uses an analysis of attributes and trends in market factors (such as ratings, duration, issuer quality, industry exposures, expected default rate, and technical factors) and global macroeconomic factors (such as expectations for economic growth, central bank policy, long-term interest rates, currencies, and commodities in each region around the world). These factors are analysed along with the yield and spread in each high yield market to make a determination about the relationship between potential return and risk in each market.

The Investment Manager's credit research process is founded on a three stage analysis of a) business risk (including environment, social and governance or ESG attributes), b) financial risk, and c) covenants. In analysing business risk, the Investment Manager studies the company's outlook for cash flows and its industry dynamics. This involves frequent communication with issuers and periodic on-site visits. The analysis of ESG factors is based on various data sources such as issuer disclosures, public filings, financial news, external research, and the Investment Manager's internal research as further described in the Section headed "Environmental, Social and Governance Factors" below. In analysing financial risk, the Investment Manager examines the leverage applied to the cash flows, as well as financing needs. Financial models are generally created for potential investments. The Investment Manger also studies the covenants to protect the Sub-Fund as a holder of a particular bond. The majority of the research is carried out by a dedicated team of high yield analysts.

As an outcome of the analysis of ESG risks, the Investment Manger's analysts will assign proprietary ESG scores and the Investment Manager is restricted to invest in issuers within the certain ESG scores as further described in the "Environmental, Social and Governance Factors".

The Sub-Fund construction will be based on security valuation as the Investment Manager seeks to create a portfolio of assets with the best combination of risk and reward while adhering to the overall investment objectives. The Investment Manager will decide on position and sector weightings.

Existing positions are continuously monitored for changes in risk profile by research analysts and also are formally reviewed during periodic portfolio reviews. While this process is primarily bottom-up, there are important top-down inputs. The Investment Manager will frequently assess i) economic conditions and forecasts, ii) financial market and liquidity conditions and iii) sector exposures. The top-down perspectives can contribute to the bottom-up views while also contributing to the risk positioning and sector weightings of the Sub Fund.

The Sub-Fund will be managed so as to maintain a near fully invested position, other than during periods where the Investment Manager believes that a larger cash position is warranted.

The Sub-Fund may initiate spot foreign exchange transactions for the purposes of settling transactions in the securities. Performance of the Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Sub-Fund may not correspond with the securities positions held.

Environmental, Social and Governance Factors

The Sub-Fund has Sustainable Investment as its objective in a way that meets the criteria contained in Article 9 of SFDR. Further, the management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager. The manner in which sustainability risk is integrated into the investment decisions of the Sub-Fund is disclosed in Section 8 hereof under the heading "Sustainability Risks", in accordance with Article 6 of SFDR.

In order to achieve its Sustainable Investment objective, the Sub-Fund shall invest in securities of issuers that the Investment Manager views as contributing to environmental and/or social objectives. Environmental objectives may include reducing the use of energy, other raw materials, land or water, reducing waste or emissions, or promoting biodiversity or the circular economy. Social objectives may include creating opportunity, fostering human development and spreading prosperity.

Identification and Selection of Sustainable Investments

In order to identify Sustainable Investments, the Investment Manager's analysts will assign proprietary ESG scores based on their holistic analysis of the issuer's ESG risk, disclosure and planning. The Investment Manager assigns the proprietary ESG scores for the vast majority of the global high yield universe, utilising a process that incorporates an assessment of three areas: 1) the issuer's ESG/sustainability risk as negligible, non-material, material, significant or severe, 2) the issuer's ESG disclosure, and 3) the issuer's plans to mitigate such risk. The scale of the ESG scores is primarily an absolute one to eight rating scale, but can also be applied as a relative rating scale within sectors, if appropriate. The Sub-Fund will be restricted to investing in issuers assigned an ESG score of one to five by the Investment Manager, using the Investment Manager's one to eight absolute scale.

Bonds under consideration for investment will be further researched to confirm that the issuers of such bonds will constitute Sustainable Investments. Within this assessment, the Investment Manager will link the economic activity of the issuer to an environmental objective via the issuer's use of energy or other resources, its management of waste or greenhouse gas emissions, or other attributes of the issuer, and/or a social objective via the issuer's impact on its customers, employees, community, or society at large. The Investment Manager will also

seek to confirm that the issuers of bonds under consideration for investment do not significantly harm environmental and social objectives.

In the process of ranking issuers and identifying Sustainable Investments, the Investment Manager will utilise analysis provided by its in-house analysts, company reports and/or engagement with companies, data and analysis from recognised third party ESG data providers (“Data Providers”), information from various third party Non-Governmental Organisations (NGOs) whose mission is relevant to the issuer in question, and/or data from other sources such as industry reports and other third party research reports. The Investment Manager’s assessment and proprietary ESG scores may differ from those of the Data Providers.

Governance Practices

The Investment Manager has set a binding obligation to make a thorough assessment of the governance practices of the issuers under consideration for investment (including sound management structures, employee relations, remuneration of staff and tax compliance). The Investment Manager has a proprietary assessment process for the evaluation of governance practices of issuers. Within this assessment, the Investment Manager will utilise analysis provided by its in-house analysts, company reports or engagement with companies, and/or data and analysis from Data Providers where appropriate. The assessment will seek the following attributes in the issuers: 1) the issuer discloses environmental, social and/or governance information and shows understanding of the related risks; 2) the issuer has an appropriate remuneration policy for executives with regard to incentives; 3) the issuer has a track record of treating bondholders and other investors fairly; 4) the issuer has a history of tax compliance.

The Investment Manager is a signatory to the UN Principles for Responsible Investment (the “UNPRI”) since 2013.

Ongoing Monitoring

The Investment Manager implements the above strategy on a continuous basis and will monitor and assess the progress of issuers in their environmental and/or social objective on a periodic basis. In order to carry out such assessment, the Investment Manager will utilise analysis provided by its in-house analysts, company reports and/or engagement with companies, data and analysis from Data Providers, information from various third party NGOs, whose mission is relevant to the company in question, and/or data from other sources such as industry reports and other third party research reports.

For each Sustainable Investment made by the Sub-Fund, the Investment Manager identifies the specific environmental and/or social objectives that apply to the investment and the relevant sustainability indicators that impact the objective. As an example, if a company is identified as contributing to the environmental goal of reduction of greenhouse gases, the Investment Manager would seek to measure the company’s absolute emissions and/or emissions intensity. The Investment Manager will monitor these sustainability indicators on an ongoing basis to confirm that the investment continues to satisfy the requirements of contributing to the Sub-Fund’s environmental and/or social objective. These indicators will be reported annually within the Investment Manager’s impact report.