



ESG Negative Screening Process

August 2023



Introduction

AlbaCore Capital LLP (“AlbaCore”, the “Investment Manager”) is authorised and regulated by the Financial Conduct Authority (“FCA”), with firm reference number 775385. AlbaCore provides discretionary investment management services and is authorised in the UK as an Investment Firm under the Markets in Financial Instruments Directive (“MiFID”). AlbaCore is also registered with the Securities and Exchange Commission (the “SEC”) as an Exempt Registered Adviser, with the CRD # 290704.

AlbaCore Capital Limited (the “Company”) has been authorised by the Central Bank of Ireland (“CBI”) as an Alternative Investment Fund Manager (“AIFM”) with Company registration number C168785. The Company wholly owns AlbaCore Capital (UK) Limited, which is the Corporate Member of AlbaCore (together, the “Group”). The Company has been appointed to act as AIFM for a number of Alternative Investment Funds (“AIFs”) and has delegated the investment management to the Investment Manager.

AlbaCore may enter into contractual arrangements to act as an investment manager to other entities, such as co-investment vehicles, parallel funds, segregated mandates, collateral loan obligation vehicles (together with the AIFs, the “Funds”).

This document sets out AlbaCore’s ESG screening process which involves a excluding specific industries from our portfolios based on ESG factors. Our negative screening process is based on norm-based exclusions and product-based exclusions.

All AlbaCore directors, officers, partners, consultants and employees (“AlbaCore Persons”) are expected to have read and to understand this document. The overall responsibility for the ESG arrangements for the Group rests with the ESG Committee. This document will be reviewed on an annual basis or sooner should there be a material change in the systems and procedures or regulatory and legal requirements.



Negative Screening Process

In addition to the consideration of sustainability risks as part of our investment process, our ESG process may involve prohibiting investment in certain industries which applies to all our direct investments. We employ screening that seeks to avoid direct investments in businesses that generate more than an estimated 25% of their revenues directly from the:

- Manufacture, distribution or sale of adult entertainment;
- Mining or processing of coal;
- Ownership or operation of private prisons; and/or
- Speculative extraction of oil and gas, including drilling contractors, exploration and production companies, refiners and integrated oil and gas operators.

Furthermore, AlbaCore seeks to screen out direct investments that:

- Have production or other activities that involve harmful or exploitative forms of forced labour or child labour;
- Produce any illegal products or engages in any illegal activities as per applicable local laws;
- Are involved in the supply or purchase of sanctioned products to or from countries or regions covered by United Nations sanctions; and/or
- Trade in hazardous chemicals, pesticides and wastes, ozone depleting substances, endangered or protected wildlife or wildlife products of which production or trade is banned by applicable global conventions and agreements;
- Derive any revenue directly from the manufacture of Controversial Weapons¹; and/or
- Derive any revenue directly from the manufacture of Tobacco Products².

The above firm-wide exclusions do not apply to investments in broad-based indices, investments in entities with minority investments (i.e. < 50%) in other entities or joint ventures that are involved in the above sectors.

¹ We have defined **Controversial Weapons** to include anti-personnel mines, cluster weapons, biological and chemical weapons, depleted uranium, nuclear weapons produced in support of (i) the nuclear weapons programs of non-nuclear weapon state parties and (ii) non-signatories to the Treaty on the Non-Proliferation of Nuclear Weapons, and white phosphorus munitions.

² We have defined **Tobacco Products** to include traditional cigarettes and other tobacco products (including cigars and chewing tobacco), which excludes vaping or e-cigarette products.