Sustainability-related disclosure summary

LIOR GP – Global Short Duration Fund **Legal entity identifier:** 6354009GJ3SYF38FOX65

b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

LIOR Global Partners ("LIOR") considers the PAI of investment decisions in a variety of ways across its investment processes.

LIOR will gradually integrate the consideration of adverse impacts in its due diligence investment processes together with the relevant financial risks, the relevant sustainability risks indicators and the interests of the clients.

c) Environmental or social characteristics of the financial product

As part of our portfolio management process, LIOR has adopted a risk-based approach, particularly on the ESG aspect by using Sustainalytics ESG Risk Score integrating the financial materiality framework.

The scoring methodology applies to cash[1] assets (cash[1] bonds (sovereign and credit) only). The overall portfolio score is a weighted sum of the ESG scores of the portfolio's cash assets.

d) Investment strategy

At LIOR, we integrate sustainability risk into our investment analysis and decision-making processes since we believe that risks related to environmental, social and governance factors can have a material impact on return on investments. We further believe that integrating ESG criteria aims to add further value to clients by delivering performance in a more sustainable way. LIOR's ESG policy has been developed by our investment and management team, is implemented, monitored and reviewed by our portfolio managers on a daily basis.

The sustainability risk is an Environmental, Social, Governance event or condition that, if it occurs, would cause a negative material impact on the value of an investment.

e) Proportion of investments

LIOR strives that its extra-financial analysis or rating on cash instruments (corporate/government bond) reach a minimal level of:

- 90% on category 1 securities
- 75% on category 2 securities

Please refer to our full disclosure document for more information on the direct and indirect exposure.

[1]Refers to an investment or asset that can quickly be converted into cash.
This document is accurate as at 9 February 2023.

f) Monitoring, methodologies, data sources and their limitations, due diligence, engagement policies and reference benchmark

Using its management tools daily, LIOR's investment team is able to continuously monitor the ESG Risk scoring from Sustainalytics on the securities covered on the portfolio. Furthermore, the management tool also allows us to compare these scores to the overall scores of our ESG comparable universe.

To measure how the social and environmental characteristics promoted by the fund are met, LIOR has decided to use a positive bias approach strategy. The positive bias approach strategy is an investment style that seeks to meet its financial objective by maintaining a portfolio with sovereign/corporate investment with positive ESG characteristics compared to investable universe. It includes sectoral and normative exclusion but also the required outperformance of the portfolio ESG score compared to the comparable investable universe. This type of sustainable strategy is perfectly suited to the portfolio management style at LIOR, seeking to achieve financial performance across all asset classes.

LIOR relies on Sustainalytics Scoring methodology in its Responsible Investment Policy. The overall ESG risk score provided by Sustainalytics measure that risk between 0 and 100 and are grouped into five risk categories: the lower the score, the lower the risk. Sustainalytics has a global coverage of 170 countries and more than 20 000 companies and the latter is continually increasing.

The primary limitation to the methodology or data source is the lack of corporate disclosure. Like many other financial market participants, we struggle to find adequate information on the PAI indicators. We are devoted to avoid any approximations or forecasts to complete this lack of sufficient data available. Moreover, it seems that some companies do not have the means or the desire, for the time being, to disclose more on some PAI indicators. Additionally, it would appear that some of the indicators are not adapted to certain sectors or types of business, which may lead to an imbalance of the coverage or relevance of these indicators.

LIOR has incorporated the sustainability aspects of the investment strategies into adequate investment due diligence processes and procedures for the selection and monitoring of investments, amongst others considering LIOR's risk appetite and sustainability risk management policies

In the event that any of the securities in the portfolio become "excluded" by the LIOR's updated Exclusion Policy after the investment in this specific security, the divestment process will apply: The targeted security will be sold within a maximum of 3 months following the discovery of the exclusion. However, this sales period may be extended, in the following exceptional cases:

- If the accelerated sale could be detrimental to the interests of the investor (in the event of liquidity issues, for example).
- If the issuer of the targeted security is subject to certain sanctions that do not allow the sale of the security on the markets traditionally used and authorized by LIOR.

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the fund.

For more information, please refer to our full sustainability-related disclosure document or prospectus available on our website at: https://www.lior-gp.com/our-funds/.

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