

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Polen Capital Opportunistic High Yield Fund  
**Legal entity identifier:** 635400GLZHSJZGSFJF12

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

**Yes**

  **No**

It will make a minimum of **sustainable investments 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

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?

The environmental characteristic promoted by the Fund is for the Fund to have a lower estimated carbon intensity as compared with the broad high yield fixed income investable universe as represented by ICE BofA U.S. High Yield Index.

Please note that the above index is a broad high yield market index and correspondingly, no specific index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Fund.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The following sustainability indicators are used to measure the attainment of the environmental characteristic promoted by the 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.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- the actual carbon intensity of individual issuers (where such information is available through public or private sources); and
- the estimated carbon intensity of the Fund's portfolio in the aggregate, as the Investment Manager seeks to achieve a portfolio with a lower estimated carbon intensity, as measured by the Investment Manager's methodology (which involves an analysis of the weighted average carbon intensity of the securities of the Fund based on data available to or provided to the Investment Manager), than that of the broad high yield fixed income investable universe, as represented by ICE BofA U.S. High Yield Index.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A

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

N/A

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

N/A.

**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.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

**Yes**

**No**

Yes, in line with Article 7 of the SFDR, the Investment Manager considers the principal adverse impacts (“PAI”) on sustainability factors with respect to its investment decisions made on behalf of the Fund. The Investment Manager takes into account the relevant indicators in Table 1 of Annex I of SFDR level 2 measures. The relevant indicators are GHG (or carbon) intensity (indicator 15 in Table 1 of Annex I of SFDR level 2) and exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons (indicator 14 in Table 1 of Annex I of SFDR level 2). These indicators are incorporated into the investment strategy by the Investment Manager. Specifically, PAI are taken into account by Fund through the following measures:

- an analysis of estimated carbon intensity of the Fund to measure its alignment with the environmental characteristics promoted by the Investment Manager; and
- the exclusion policy implemented by the Investment Manager limits the exposure to certain PAI (based on the above indicator 14) by excluding from the Fund’s portfolio investments in sectors that have a negative impact on sustainability (including, without limitation, investments in manufacturers of controversial weapons. While the ability to currently meaningfully assess these impacts may be limited by an absence or limited availability and quality of information, the Investment Manager will continue to further develop its processes to gather, when available, information and data with respect to the PAI of the investments made by the Fund.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### **What investment strategy does this financial product follow?**

The Fund follows the following strategies in in respect of its sustainability policy:

- Inclusion of certain investments in the portfolio that the Investment Manager believes promote the environmental and/or social characteristics; and
- Exclusion of certain investments from the portfolio.

Further information on the financial aspects of the investment strategy are outlined in the Supplement.

[Inclusion of certain investments in the portfolio that the Investment Manager believes promote the environmental and/or social characteristics](#)

The Investment Manager integrates various environmental and/or social considerations, such as a commitment to environmental protection (in particular the Fund having a lower estimated carbon intensity as compared with the broad high yield fixed income investable universe as represented by ICE BofA U.S. High Yield Index) and an assessment of the track record of product and worker safety, into its qualitative investment research and portfolio construction process. More specifically, incorporated within its bottom-up fundamental analysis of each fixed income investment opportunity, the Investment Manager endeavours to identify material environmental and social factors that may contribute to financial downside (in particular, significant event risks that can negatively affect an issuer’s creditworthiness and therefore its ability to meet its ongoing fixed income principal and interest obligations). These environmental and social factors are identified using publicly available information, engagement with investee companies and their competitors, customers, suppliers and other third parties that are familiar with the company or industry. As part of this analysis, the Investment Manager also assesses whether or not market pricing adequately reflects those risks (including, without limitation, actual or estimated carbon intensity) with respect to any proposed investment. If the Investment Manager believes that an identified investment opportunity does not meet the promoted environmental or social characteristic or will have a material positive or negative impact on the business that may disproportionately

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

change the risk/reward profile of such investment, the Investment Manager will, as part of its investment decision-making process, not make such investment.

The Investment Manager believes that integrating environmental and social factors into its investment process in this manner allows for deeper insight into critical risk factors, including exogenous factors not typically exposed in a traditional business analysis model, ultimately resulting in sounder investment decisions in respect of the Fund. Furthermore, integration within the investment process does not occur only when evaluating new investment opportunities; rather, the Investment Manager believes that the continuous monitoring of existing positions and issuers through ongoing due diligence, based on reviewing data in respect of material environmental and social factors for a position and its issuer and comparing it to the data obtained prior to investment, is the best way to monitor existing environmental and social factors as well as identify new ones before they materialize.

The information gathered by the Investment Manager in the process outlined above in respect of the Fund's sustainability approach relates to the environmental characteristic promoted by the Fund, which is the Fund having a lower estimated carbon intensity as compared with the broad high yield fixed income investable universe as represented by ICE BofA U.S. High Yield Index. Correspondingly the Investment Manager assesses investee issuers in respect of their carbon intensity. This approach enables the Investment Manager to ascertain the carbon intensity of individual issuers and the impact an investment would have in terms of the Fund's estimated carbon intensity at the portfolio level in the aggregate as compared to ICE BofA U.S. High Yield Index. After the Investment Manager carries out its qualitative analysis, the Investment Manager will determine whether to invest in a company. The qualitative analysis approach taken by the Investment Manager is a binding strategy and implemented for each investee issuer over the life of the Fund.

#### Exclusion of certain investments from the Fund

In addition, the Investment Manager excludes various issuers from the Fund's portfolio as part of the investment strategy of the Fund. Examples of the investments that the Investment Manager does not currently invest directly in, based on the Investment Manager's assessment and judgment outlined above, include the following:

- companies that are classified as tobacco within the level 4 sub-sector of the ICE BofA High Yield Index industry classification system (or, if such industry classification system is no longer operative, a similar third-party classification system as determined in good faith by the Investment Manager);
- companies that generate at least 30% of their revenue from thermal coal mining (as reflected by a third-party alternative data source provider utilized by the Investment Manager); and
- companies involved in the production or manufacture of controversial weapons (as classified by a third-party alternative data source provider utilized by the Investment Manager).

(each an "Excluded Investment" and together the "Excluded Investments")

In addition, the Investment Manager will exclude investments by the Fund in companies that it believes do not adhere to good governance practices through the Investment Manager's analysis of several governance-related matters that it considers within its investment process, as further outlined below.

The application of Excluded Investments is a binding strategy and implemented in respect of the investment universe at the beginning of the investment process and applies over the life of the Fund.

#### Good governance

As part of its sustainability policy, the Investment Manager commits to only investing in companies that it believes adhere to good governance practices, such as sound

management structures, employee relations, remuneration of staff, tax compliance, and retention of an independent and experienced board of directors.

Incorporated within its bottom-up fundamental analysis of each fixed income investment opportunity, the Investment Manager endeavours to identify material governance factors that may contribute to financial downside (in particular, significant event risks that can negatively affect an issuer's creditworthiness and therefore its ability to meet its ongoing fixed income principal and interest obligations). This identification of material governance factors is carried out by the Investment Manager through the assessment of both publicly available and private information, as well as engagement with investee companies when appropriate. The Investment Manager monitors a company's maintenance of good governance practices through publicly as well as privately available information identified and considered material by the Investment Manager. This information may comprise, for example, financial statements and reports filed by a company or otherwise delivered by the company to its investors, investor events and meetings hosted by a company, industry information, and any other such information that the Investment Manager has identified that it believes is material to such monitoring.

The Investment Manager believes that adherence to strong governance principles is an important feature of the companies in which the Fund will invest. The Investment Manager's active approach to fixed income investing generally includes frequent interaction with company management, as the Investment Manager seeks to keep an open line of communication with respect to actions that could negatively impact the value of the investment.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

As outlined above:

- Inclusion of certain investments in the portfolio that the Investment Manager believes promote the environmental characteristic of the Fund having a lower estimated average carbon intensity as compared with the broad high yield fixed income investable universe as represented by ICE BofA U.S. High Yield Index.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

● ***What is the policy to assess good governance practices of the investee companies?***

As part of its sustainability policy, the Investment Manager commits to only investing in companies that it believes adhere to good governance practices, such as sound management structures, employee relations, remuneration of staff, tax compliance, and retention of an independent and experienced board of directors.

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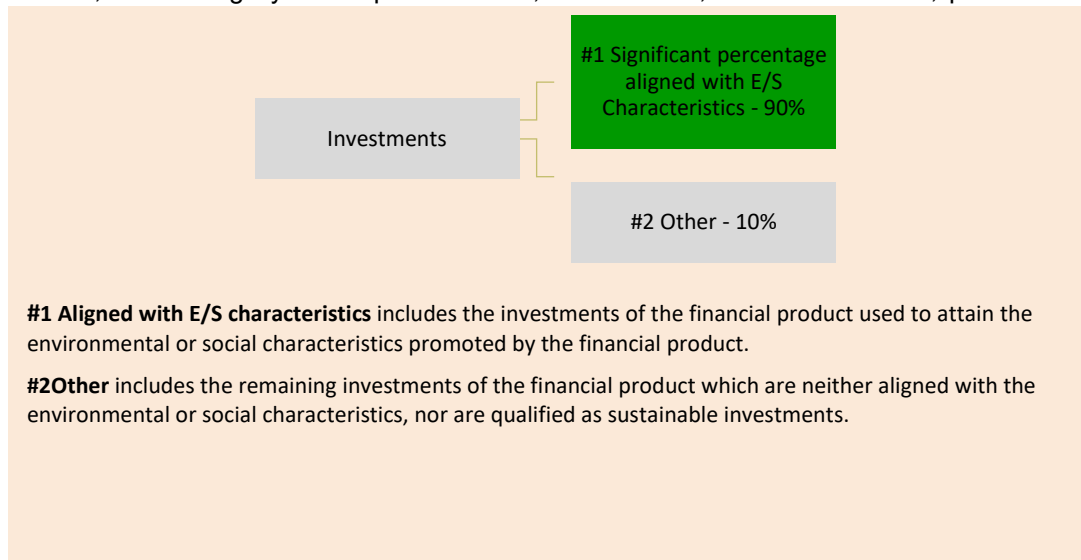
as privately available information identified and considered material by the Investment Manager. This information may comprise, for example, financial statements and reports filed by a company or otherwise delivered by the company to its investors, investor events and meetings hosted by a company, industry information, and any other such information that the Investment Manager has identified that it believes is material to such monitoring.

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### What is the asset allocation planned for this financial product?

The Investment Manager expects that the minimum percentage used to meet the environmental characteristic promoted by the Fund under normal market conditions will be 90% (as measured on a portfolio-wide basis based on the binding elements of the investment strategy outlined above). The investments used to meet the characteristic promoted by the Fund, which are incorporated into the minimum percentage outlined above, include high yield corporate bonds, senior loans, convertible bonds, preferred



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

stock, and other types of debt instruments (including, without limitation, unregistered (Rule 144A) securities, floating and variable rate securities and other restricted fixed income securities). In addition, such investments may include equity securities or other assets (including convertible bonds) that the Fund receives as part of a unit of, or in connection with, a high yield security or otherwise as a result of reorganization, corporate action, or conversion. The remaining investments of the Fund will generally consist of ancillary liquid assets, such as cash and cash equivalents, money market instruments or similar instruments, where the Investment Manager deems an appropriate investment opportunity is not available. These assets are neither aligned with the environmental or social characteristics, nor are they sustainable investments. There are no minimum environmental or social safeguards. Notwithstanding the minimum percentage referenced above, as outlined in the Supplement in the section entitled "Investment Policy", the Fund may invest all of its assets in cash and/or cash equivalent securities when the Investment Manager believes that current market, economic, political or other

**Asset allocation** describes the share of investments in specific assets.

*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852*

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.

conditions are unsuitable and would impair the pursuit of the Fund's investment objective. In which case the minimum percentage will be lower than as referenced above.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

As derivatives are not an element of the investment strategy pursued by the Investment Manager, the Fund does not utilize derivatives to attain the environmental and/or social characteristics that the Fund promotes.

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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 activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

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



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

At the date of this document, investments in environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the “Taxonomy Regulation”) (i.e. taxonomy aligned investments) shall be 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

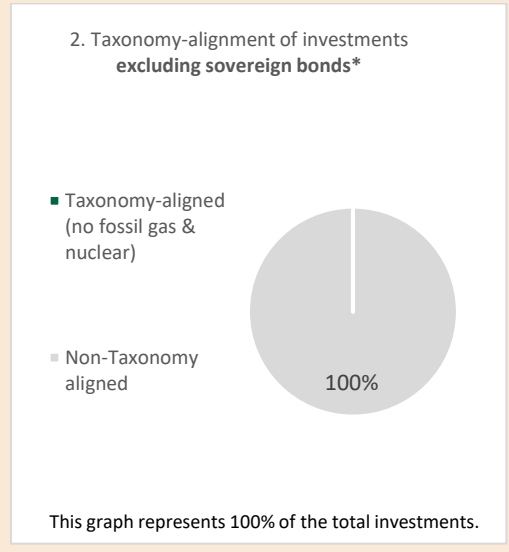
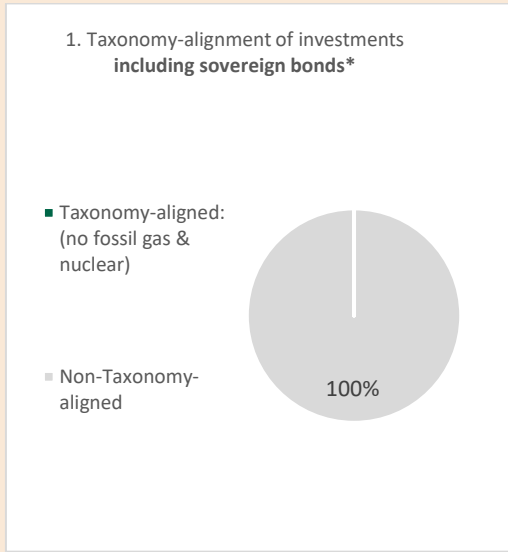
Yes:

In fossil gas     In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are 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*

*[only include in the graphs the figures for Taxonomy aligned fossil gas and/or nuclear energy as well as the corresponding legend and the explanatory text in the left hand margin if the financial product makes investments in fossil gas and/or nuclear energy]*



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

N/A

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**



N/A

<sup>1</sup> 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 not significantly harm 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.





**What is the minimum share of socially sustainable investments?**

N/A



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

“Other” includes ancillary liquid assets, such as cash and cash equivalents, money market instruments or similar instruments, where the Investment Manager deems an appropriate investment opportunity is not available. There are no minimum environmental or social safeguards.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



## Where can I find more product specific information online?

More product-specific information can be found on the website here:  
<https://www.polencapital.com>