

SFDR Article 8 Sustainability Related Website Disclosures

Articles 23 to 36 SFDR Delegated Regulation (EU) 2022/1288

Polen Capital Opportunistic High Yield Fund (the “Fund”), a sub-fund within Polen Capital Funds ICAV

1 SUMMARY

This Fund promotes environmental or social characteristics but does not have as its objective sustainable investment. Specifically, the environmental characteristic promoted by the Fund is for the Fund to include those investments in the Fund's portfolio that, in the aggregate, 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. Such 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. In addition, the Investment Manager will exclude certain investments from the portfolio as a result of environmental, social and/or governance considerations.

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

- 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.

While the Investment Manager prefers utilizing reported data to the extent available, issuer disclosures particularly with respect to carbon intensity can be sporadic, resulting in the need for the Investment Manager to rely on estimated data in certain circumstances. Such reliance will result in a more imprecise calculation of the Fund's (estimated) carbon intensity than if all issuers held by the Fund disclosed such information.

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).

Finally, 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.

2 NO SUSTAINABLE INVESTMENT OBJECTIVE

This Fund promotes an environmental characteristic but does not have as its objective sustainable investment.

3 ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

3.1 What are the environmental or social characteristics that the Fund promotes?

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. Such 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.

4 INVESTMENT STRATEGY

4.1 What is the Fund's Investment Strategy used to meet the environmental or social characteristics promoted by the financial product?

The Fund follows the following strategies 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 Prospectus 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 change the risk/reward profile of such investment, the Investment Manager will, as part of its investment decision-making process, not make such investment.

Specifically with respect 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, the Investment Manager assesses investee issuers in respect of their carbon intensity (or estimated carbon intensity, as the case may be). 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.

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 an third-party alternative data source provider utilized by the Investment Manager).

4.2 What is the policy to assess good governance of investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

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 Management 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 may include frequent interaction with company management, as the Investment Manager seeks to keep an open line of communication with respect to actions that could negatively affect the value of the investment.

5 PROPORTION OF INVESTMENTS

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

6 MONITORING ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

6.1 How are the environmental or social characteristics promoted by the Fund and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the Fund monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms?

The environmental characteristic promoted by the Fund is 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. The Investment Manager will also monitor the carbon intensity of individual issuers (where such information is available) as well as the estimated carbon intensity of the portfolio of the Fund in the aggregate. Carbon intensity represents a company's most recently reported or estimated US Environmental Protection Agency Scope 1 (e.g., direct) + Scope 2 (e.g., indirect) greenhouse gas emissions normalized by sales in USD (metric tons Carbon Dioxide Equivalent, or CO₂E/USD millions in sales), which allows for comparison of carbon intensity between companies of different sizes. Direct (scope 1) emissions may be those emissions directly from operations that are owned or controlled by the issuer. Indirect (scope 2) emissions may be those emissions from the generation of purchased energy consumed by the issuer. Greenhouse Gas (or carbon) intensity is set forth as Principal Adverse Impact ("PAI") indicator 15 in Table 1 of Annex I of SFDR level 2. The Investment Manager seeks to achieve a portfolio with an estimated carbon intensity lower than that of the broad U.S. high yield market, as measured by the Investment Manager's methodology.

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). Notably, exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons, is set forth as PAI indicator 14 in Table 1 of Annex I of SFDR level 2.

7 METHODOLOGIES

7.1 What methodologies are used to measure how the social or environmental characteristics promoted by the Sub-Fund are met?

The Fund promotes certain environmental and/or social characteristics through (a) the inclusion of certain investments in the portfolio that the Investment Manager believes promote the environmental characteristic, and (b) the exclusion of certain investments from the portfolio that the Investment Manager believes do not meet certain environmental and/or social characteristics.

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

- 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.

8 DATA SOURCES AND PROCESSING

8.1 What data sources are used to attain each of the environmental or social characteristics promoted by the Fund?

While the Investment Manager has a preference for utilizing reported data where available, issuer disclosures, particularly with respect to carbon intensity, can be sporadic, resulting in the need to rely on estimated data in certain circumstances. Such estimated data is sourced from the third-party data providers and as third-party ESG data providers all tend to use different methodologies for scoring, there can be variances in data as well as a lack of consistency.

In addition, the Investment Manager excludes various issuers from the Fund's portfolio as part of the investment strategy of the Fund. The Investment Manager utilizes third-party data sources (e.g., ICE Data Services, MSCI, etc.) to enable it to identify such companies and thereby exclude them from the Fund's portfolio.

8.2 What measures are taken to ensure data quality?

Environmental and/or social characteristics are stored and may be accessed directly within the Investment Manager's trade order management system. With respect to carbon intensity, if an issuer that is held by the Fund is not rated by our data provider, the Investment Manager assigns a carbon emissions scope based on the average carbon intensity of issuers within such industry within the benchmark.

8.3 How are data processed?

Data is processed by the Investment Manager's investment team once it is stored directly within the trade order management system. Certain data (e.g., with respect to excluded investments) is also provided to the Investment Manager via data feed or manually updated and stored directly with the trade order management system as well. The Investment Manager updates carbon intensity data on a periodic basis, with any issuers held by the Fund that have no carbon intensity information available reviewed and updated monthly based on the average carbon intensity of issuers within such industry within the benchmark index. The Investment Manager monitors the weighted average carbon intensity of the Fund as compared with the carbon intensity of the benchmark index on a post trade basis.

8.4 What is the proportion of data that are estimated?

It is currently difficult to report sufficiently accurate numbers on the proportion of data used for the Fund by the Investment Manager which is estimated. While the Investment Manager prefers to use reported data where available, issuer disclosures can be sporadic, resulting in the need to rely on estimated data in certain circumstances. Such estimated data is sourced principally from a third-party alternative data provider of ESG-related research and data. Generally, within the strategy pursued by the Fund, the Investment Manager believes that it may need to estimate the carbon intensity data with respect to up to 70% of the NAV of the Fund (with such estimates based on the industry average of the particular issuer), though the specific percentage will vary (and may exceed such level) depending on the then-current holdings of the Fund.

9 LIMITATIONS TO METHODOLOGIES AND DATA

9.1 Are there any potential limitations to the methodologies or data sources outlined above and if so, how do such limitations not affect how the environmental or social characteristics promoted by the Fund are met?

Since most companies worldwide are not currently required by law to report on the majority of ESG data, companies are left to determine for themselves which ESG factors are material to their business performance, and what information to disclose to investors. Accordingly, ESG data quality and availability, including without limitation carbon intensity data, can vary significantly from company to company, industry to industry, and region to region.

As outlined in section 8 above, the Fund expects to rely on estimated data sourced from a third-party alternative data provider with respect to a material portion of the Fund's holdings.

10 DUE DILIGENCE

10.1 What due diligence is carried out on the underlying assets of the Fund (including internal and external controls on that due diligence)?

The Investment Manager's research process is designed to generate investment ideas with compelling risk/return profiles across an entire client portfolio. In seeking to achieve this goal, the Investment Manager attempts to identify companies that have a solid core business with sufficient enterprise value coverage and that generate sufficient free cash flow to service their fixed income debt obligations. Fundamental analysis is the cornerstone of the Investment Manager's investment process. The investment approach employed by the Investment Manager creates a comprehensive analytical overview of a target company focused on its current and future business prospects. In conducting this analysis, the Investment Manager may evaluate a company's senior management, industry fundamentals, market share, pricing power, operating characteristics and historical and projected financial performance in an effort to identify the risk and rewards of a particular investment.

The Investment Manager integrates various ESG considerations, such as transparency in corporate governance, executive remuneration, existence of an independent and experienced board of directors, a commitment to environmental protection (including carbon intensity metrics), and a track record of product and worker safety, into its 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 ESG 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). As part of this analysis, the Investment Manager assesses whether or not market pricing adequately reflects those risks with respect to any proposed investment. The Investment Manager believes that integrating ESG 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 on behalf of its clients.

11 ENGAGEMENT POLICIES

11.1 Where engagement is part of the environmental or social investment strategy of the Fund, what is the engagement policy applied (including any management procedures applicable to sustainability-related controversies in investee companies)?

The Investment Manager believes that issuer engagement as a debt holder tends to be more indirect when compared to that of an equity owner. While an equity owner can ultimately vote (and accordingly replace) the members of a portfolio company's board of directors, the opportunities to actively engage as a fixed income investor tend to occur around events such as new debt issuances and corporate restructurings. In such cases, depending on the size of the position held by funds and/or accounts managed by the Investment Manager, including the Fund, relative to the total class of debt, the Investment Manager may be able to exert some degree of influence over an issuer, particularly with respect to governance and reporting issues.

The Investment Manager believes that adherence to strong governance principles is an important feature of the companies in which the Fund invests. 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 made on behalf of the Fund. While the Investment Manager does not always agree with the policies implemented by an issuer's management, the Investment Manager believes that remaining active and engaged will typically result in more constructive, long-term relationships surrounding topical issues, including governance concerns. Such an approach ultimately benefits the Fund. In the event that issuer engagement is not successful, and the Investment Manager does not believe that it can advocate for practical change, divestment may be warranted, depending on the nature of the ESG factors and the corresponding effect on the investment's risk/reward profile.

12 DESIGNATED REFERENCE BENCHMARK

No specific index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Date: 14 March 2023