

SUSTAINABILITY-RELATED DISCLOSURES

Spyglass U.S. Growth Fund (UCITS) (the “Fund”)

LEI: 635400HY5WH4GR55RE74

1. Summary

a) No sustainable investment objective:

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

b) Environmental or social characteristics of the financial product:

The environmental and social characteristics promoted by the Fund include sound corporate governance and strong disclosures around sustainability/impact. Furthermore, the fund uses both activity and norm-based exclusions, which are further detailed in this document.

c) Investment strategy:

The Fund’s investment objective is to achieve long-term capital appreciation with a view to outperforming the Russell 2500™ Growth Total Return Index.

d) Proportion of investments:

The Fund will invest a minimum of 90% of its NAV in companies that are aligned with its environmental and social characteristics. The remainder ‘other’ investments include cash, cash equivalents, investments for diversification purposes, or investments for which data is lacking and does not follow any minimum environmental and social safeguards.

e) Monitoring of environmental or social characteristics:

The environmental and/or social characteristics the Fund promotes are monitored by the Investment Manager in a number of ways. Each portfolio holding has a corresponding ESG Company Assessment Report and ESG score with separate component scores for environmental, social, and governance criteria. The Investment Manager is responsible for producing, monitoring, and updating the ESG Company Assessment Report and ESG scores using its proprietary ESG research methodology.

f) Methodologies for environmental or social characteristics:

The Investment Manager integrates certain environmental, social, and governance risk factors, and applies an activity and norm-based exclusion policy.

g) Data sources and processing:

The Fund's Investment Manager primarily utilizes internal research, but also subscribes to ESG data and research from third-party research firms and data providers.

h) Limitations to methodologies and data:

The ESG regulatory landscape is evolving and the assessment of material ESG risks can be subjective and includes data from a third party which may be incomplete or inaccurate. There is no guarantee the impact of a sustainability risk will be properly assessed.

i) Due diligence:

The Fund's Investment Manager performs fundamental research as part of its investment strategy. The Investment Manager may also utilize data and research from third-party research firms and data providers to supplement its research process.

j) Engagement policies:

The Fund's Investment Manager engages with company management teams regarding ESG to the extent that the business is well positioned around the Investment Manager's internal ESG policies. However, the way the Investment Manager ultimately expresses its approval or disapproval of a company's ESG practices is through stock ownership.

k) Designated reference benchmark:

No specific index is designated as a reference benchmark to determine if the Fund is aligned with the environmental and social characteristics that it promotes within the meaning of Article 8 of SFDR.

2. No sustainable investment objective

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

3. Environmental or social characteristics of the financial product

The environmental and social characteristics promoted by the Fund include sound corporate governance and strong disclosures around sustainability/impact. Furthermore, the fund uses both activity and norm-based exclusions, which are further detailed in this document.

The Fund's primary benchmark index is the Russell 2500™ Growth Total Return Index and is indicated for performance comparison only. This benchmark index does not take into account ESG characteristics promoted by the fund, which are intended to be achieved by the investment process followed by the Investment Manager. A description of the index methodology can be found on the website of the index provider, FTSE Russell.

4. Investment strategy

The investment objective of the Fund is to achieve long-term capital appreciation with a view to outperforming the Russell 2500™ Growth Total Return Index. The Fund seeks to achieve its investment objective by holding a concentrated, long-only portfolio of 25 rapidly growing US companies. The portfolio is comprised of best-in-breed businesses operating across a wide array of industries that are experiencing secular growth trends. The fund seeks to identify these businesses before the consensus opinion agrees with our expectations.

The Investment Manager has developed a proprietary research process that integrates ESG factors using SASB Standards for financial materiality, by analyzing public company documents, websites, SEC filings, and third-party research, and through direct conversations with company management teams. Spyglass uses this information to construct an ESG Company Assessment Report for each portfolio company. Spyglass scores Environmental, Social, and Governance criteria individually on a scale of 1 to 5, with 5 representing the “best” score, and each company is assigned an overall ESG score which is the average of its E, S, and G scores..

This process allows the Investment Manager to gauge policies, reports, disclosures, efforts, and goals a company may have and is acting upon, as well as compare that company with its peers. The Investment Manager evaluates companies on the financial materiality impact of ESG factors, improvements in sustainability initiatives, and stated ESG-related objectives.

The Investment Manager also applies exclusionary screening and will not invest in companies that engage in certain prohibited activities or do not comply with the Investment Manager’s ESG Policy Statement.

Good governance

In assessing good governance practices, and generally as part of our investment research process, we typically consider a company’s:

- Board quality, composition, diversity, authority, and election mechanics
- Compensation structure and philosophy
- Decision-making processes and shareholder rights
- Broader relationship with regulatory, market, and other third-party stakeholders

5. Proportion of investments

The Fund will invest a minimum of 90% of its NAV in companies that are aligned with its environmental and social characteristics. The remainder ‘other’ investments include cash, cash equivalents, investments for diversification purposes, or investments for which data is lacking and does not follow any minimum environmental and social safeguards.

6. Monitoring of environmental or social characteristics

The environmental and/or social characteristics the Fund promotes are monitored by the Investment Manager in a number of ways. Each portfolio holding has a corresponding ESG Company Assessment Report and ESG score with separate component scores for environmental, social, and governance criteria. The Investment



Manager is responsible for producing, monitoring, and updating the ESG Company Assessment Report and ESG scores using its proprietary ESG research methodology. The Investment Manager's CIO and ESG Committee are tasked with verifying that ESG Company Assessment Reports and ESG scores are produced on-time, continuously monitored, and updated on a regular basis. These are accomplished through monthly and ad-hoc check-ins with the Fund's investment team.

7. Methodologies for environmental or social characteristics

The Investment Manager has developed a proprietary research process that integrates ESG factors using SASB Standards for financial materiality, by analyzing public company documents, websites, SEC filings, and third-party research, and through direct conversations with company management teams. Spyglass uses this information to construct an ESG Company Assessment Report for each portfolio company. Spyglass scores Environmental, Social, and Governance criteria individually on a scale of 1 to 5, with 5 representing the "best" score, and each company is assigned an overall ESG score which is the average of its E, S, and G scores. A company must score at least a '1' in each of the E, S and G categories in order to be included in the Investment Manager's universe. The share of investments with high ESG scores (4 or 5) based on the Investment Manager's proprietary ESG scoring methodology is used to measure the attainment of environmental and social characteristics promoted by the Fund.

This process allows the Investment Manager to gauge policies, reports, disclosures, efforts, and goals a company may have and is acting upon, as well as compare that company with its peers. The Investment Manager evaluates companies on the financial materiality impact of ESG factors, improvements in sustainability initiatives, and stated ESG-related objectives.

The Investment Manager also applies exclusionary screening and will not invest in companies that:

- Produce tobacco products;
- Produce alcoholic beverages;
- Operate gambling establishments;
- Produce adult entertainment;
- Produce cluster munitions and landmines;
- Develop tar sands;
- Mine thermal coal;
- Extract Arctic oil; or
- Produce civilian firearms

The Investment Manager applies its exclusionary screening using its own proprietary research deriving from company due diligence. The Investment Manager would not invest in a company that participates in any of the above prohibited activities. In addition, the Investment Manager will not invest in companies that do not comply with its ESG policy statement.

8. Data sources and processing

The Fund's Investment Manager uses both internal and external data as part of its fundamental research process, although it primarily relies on proprietary research, including for the ESG Company Assessment Reports and ESG scoring methodology described previously.



ESG research is conducted as part of the Investment Manager's bottom-up investment strategy which requires the Investment Manager's investment team to perform in-depth, fundamental stock research and analysis. As part of its bottom-up research process, the Investment Manager may also from time to time utilize data and research from third-party research firms and data providers as additional inputs. The Investment Manager conducts periodic due diligence on any applicable third-party research firms and data providers.

The Fund's Investment Manager processes data primarily through its proprietary fundamental research process, including for the ESG Company Assessment Reports and ESG scoring methodology.

While the preference is not to utilize data that is estimated, the Fund's Investment Manager may need to use estimates in certain instances due to reasons including a lack of disclosure by the issuing company, varying metrics applied to data sets including timeframe, and changing regulatory requirements.

9. Limitations to methodologies and data

The ESG regulatory landscape is evolving and some data may not currently be provided by companies or data sets may be incomplete. In addition, the assessment of material ESG risks may be subjective and could include data from third parties which may be incomplete or inaccurate. There is no guarantee the impact of sustainability risk will be properly assessed. Third-party research firms and data providers may occasionally provide estimates due to lack of corporate disclosures. However, as the Investment Manager primarily relies on its proprietary fundamental research, these limitations to methodologies and data should not materially affect how the environmental or social characteristics promoted by the financial product are met.

10. Due diligence

The 'Investment Strategy' section of this document along with the Spyglass ESG Policy Statement (available [here](#)) outline the due diligence process for investments in the Fund with regards to ESG factors. The ESG investment and integration process resides with each member of the Investment Manager's investment team, and is overseen by the Investment Manager's CIO and ESG Committee. The ESG Committee meets at least quarterly and has the objective of monitoring and overseeing the Investment Manager's compliance with its stated ESG policies.

11. Engagement policies

The Fund's Investment Manager engages with company management teams regarding ESG to the extent that the business is well positioned around the Investment Manager's internal ESG policies, however the way the Investment Manager ultimately expresses its approval or disapproval of a company's ESG practices is through stock ownership.

12. Designated reference benchmark

No specific index is designated as a reference benchmark to determine if the Fund is aligned with the environmental and social characteristics that it promotes within the meaning of Article 8 of SFDR.