

ESG POLICY

This Policy explains the SYQUANT Capital approach to Environment, Social & Governance (“ESG”) and outlines the firm’s philosophy, commitment, and approach to sustainability in order to support a viable, long-term, successful business.

Introduction

The purpose of this ESG Policy is to formalize SYQUANT Capital’s philosophy on sustainability and define our approach to integrating the consideration of extra financial factors into our investment process, and in the broader operation of SYQUANT business.

SYQUANT Capital has established an ESG framework which encompasses:

- its investment approach, to inform investors about how social, environmental and governance (ESG) criteria are implemented in the investment process,
- its corporate practices, to ensure the firm is managed in a responsible manner and strive to adopt ‘best practice’.

We recognize that industry guidelines and best practices for ESG management continue to evolve over time. This policy reflects our current approach, and we expect that this policy will mature over time to reflect changes in industry practices, business structures, regulation, and the law. Accordingly, we monitor this policy on an ongoing basis and will typically review our approach annually.

Our ESG Approach & Philosophy

SYQUANT Capital signed the United Nations' Principles of Responsible Investment (UN PRI) in 2020, to affirm its commitment towards responsible investment.

We believe that environmental, social and governance issues can have a material impact on culture, performance, and sustainability, not only of our own business but of the financial markets and society more broadly. Consequently, due recognition of these issues is an essential component of our philosophy and corporate social responsibility framework at SYQUANT Capital.

The objective of our ESG policy and related initiatives are to:

- Fulfil our fiduciary responsibility to our clients by recognising all factors which may have a material impact to the long-term performance and/or risk of our investments,
- Support the focus on ESG issues within the financial industry,
- Formalise and develop our corporate social responsibility framework and create and foster a strong corporate culture.

ESG Governance and Oversight

This ESG policy has been developed by members of the SYQUANT’s senior management team across investment and non-investment aspects of our business with relevant input from our in-house Compliance Officer. The policy has been approved by the SYQUANT management committee and will be updated as appropriate.

SYQUANT has identified an internal group of individuals, who is responsible for oversight and implementation of this Policy. This group is also responsible for the continuous development and enhancement of our ESG approach and framework. Its mission is to ensure ongoing awareness and monitoring of salient ESG matters which may impact our business as a whole; not only within SYQUANT’s investment policy but also within SYQUANT’s corporate responsibility commitment to ESG & Sustainable Business.

ESG Integration into our Investment Process

SYQUANT Capital recognize that environmental, social and/or governance issues can influence the assessment of an investment opportunity and as such, we evaluate and selectively incorporate ESG information into our investment process in a manner consistent with SYQUANT's fiduciary obligations to act in the best financial interests of its investors.

We consider ESG criteria as one set of factors among many that should be weighed appropriately to inform investment decision making. ESG issues may present regulatory, industry, reputational and operational risks and opportunities that should be considered when analyzing the prospective returns of an investment. We appreciate that companies operate under a range of different conditions, so we attempt to be rational in our approach to considering ESG factors and give due consideration to the specific circumstances of the companies and/or specific deals and the markets in which they operate.

The integration of ESG considerations in the investment process rests principally on the following 3 pillars: (i) Portfolio Exclusions, (ii) Investment decision process and (iii) Voting Policy. They constitute the base within which the existing SYQUANT funds evolve. It is also to be noted that SYQUANT currently does not manage any fund dedicated to 'promoting environmental or social characteristics' or any product with 'sustainable investment objective'. Such fund will need to have its own and specific ESG framework.

- **Portfolio Exclusions**

In line with market practice as a Luxembourg domiciled fund and in accordance with conventions and international treaties signed by France, SYQUANT Capital excludes unconditionally of all its investments all companies involved in development, production, and the distribution of controversial weapons. This exclusion concerns anti-personnel mines as defined in the treaty Ottawa came into effect in 1999 and cluster munitions such as defined in the Oslo Convention adopted in 2008. Regarding depleted uranium, although not subject to a ban or restriction by international treaty, SYQUANT Capital unconditionally excludes any investment in involved companies.

SYQUANT follows all applicable international sanctions of the UN, EU and OFAC to which it may be subject and will abide by any mandatory investment restrictions deriving therefrom.

SYQUANT has subscribed to Institutional Shareholder Services. ISS ESG provides an updated restriction list of companies involved in controversial arms and weapons and a list of global sanctions of the UN, EU and OFAC. This restriction list is integrated within SYQUANT's Risk & Compliance Management Systems for systematic locks, checks and controls.

- **Investment decision process**

The objective of integrating ESG considerations into our investment decision process is based on a firm belief that the additional information increases the robustness of our decision process. It is important to stress that ESG risks and opportunities are not a separate category in themselves as they ultimately translate into financial risks and opportunities.

It is the role of the investment professionals to synthesize all available information and to provide this information in the most complete and exhaustive manner to the investment committees. The investment professionals should focus on any additional sources of risk and return of our investments through the information contained in the ESG considerations. An in-depth analysis of any "controversies" linked to an issuer will be an integral part of the investment process.

All our investment professionals have access to ESG information and data so that they integrate these factors just as any financial information or financial news, in elaborating their investment decisions.

In addition to brokers ESG research and company reports, SYQUANT has subscribed to ISS, one of the leading ESG Data and Analytics provider, to access:

- Extensive ESG Research reports on the scoring
- Norm-Based Research or Controversies (Red, Amber, Green)
- Numeric and Alphabetic scores for E/S/G pillars
- Access to portfolio screening based on ESG criteria

In the investment committees, which includes the CIO, co-CIO and all the investment professionals, the ESG consideration behind each position will be appraised and documented.

- **Voting Policy**

SYQUANT Capital's voting policy is in line with its objectives of portfolio value preservation and enhancement and mitigation of risks through the incorporation of sustainability factors amongst other factors. Our voting policy aims to take an active ownership approach and to participate in most of the shareholder meetings in which our funds are eligible.

Being a signatory of the UN PRI charter, our voting policy aims to satisfy the principles of this Charter. Therefore, it is the objective of SYQUANT Capital to generally support shareholder proposals advocating ESG disclosure or universal norms/codes of conduct.

SYQUANT Capital's management, in order to satisfy the requirements of its voting policy has decided to appoint the proxy voting firm ISS to vote on its behalf and mandated ISS to proxy vote on the Investment Manager's behalf based on the following 2 orientations which are the spirit of its voting policy:

- "Best practice" standards that promote total shareholder value and risk mitigation ("ISS Policy")
- United Nations Principles for Responsible Investment (UN PRI) ("ISS Sustainability Policy")

The ISS Sustainability Policy will take as its frame of reference internationally recognized sustainability-related initiatives such as the United Nations Environment Programme Finance Initiative (UNEP FI), United Nations Principles for Responsible Investment (UNPRI), United Nations Global Compact, Global Reporting Initiative (GRI), Carbon Principles, International Labour Organization Conventions (ILO), CERES Roadmap for Sustainability, Global Sullivan Principles, MacBride Principles, and environmental and social European Union Directives. Each of these efforts promote a fair, unified and productive reporting and compliance environment which advances positive corporate ESG actions that promote practices that present new opportunities or that mitigate related financial and reputational risks.

On matters of corporate governance, executive compensation, and corporate structure, the ISS Sustainability Policy guidelines are based on a commitment to create and preserve economic value and to advance principles of good corporate governance.

SYQUANT Capital maintains its discretion to amend the proxy vote in the best interests of investors in the fund it manages. There may be situations in which we may be unable to vote a resolution or may choose not to vote a resolution, such as the costs of voting outweigh the benefit of voting.

SYQUANT's Capital Compliance Officer will monitor on a timely basis that SYQUANT's voting policy is respected via the automatic votes done by proxy via ISS.

- **Disclosure, Transparency & Reporting**

As with all aspects of our business, we are committed to being transparent with our clients about our ESG management practices and will integrate discussion of ESG matters, management activities and developments in communications with our clients as appropriate. In accordance with article L.533-22-1 of the French Code Monétaire et Financier, SYQUANT Capital shall inform investors as regards to the integration of Social, Environmental and Corporate Governance criteria within the investment policy of the company and a publicly available summary of our approach is published on our website.

As a signatory to the United Nations' Principles of Responsible Investment (UN PRI), SYQUANT Capital aims to attend relevant industry events and review published guidance ensuring awareness of the pertinent ESG issues affecting the industry to inform our ESG practices and policy.

In a similar vein, we continue to monitor industry-standards with regards to ESG specific portfolio mapping / transparency. Whilst we are not opposed to providing data upon request, we are cognizant that the methodology for portfolio ESG scoring remains in its infancy, particularly for L/S, absolute return, strategies. We continue to monitor progress and developing industry & client expectations on this front and will make evolve our reporting accordingly.

Corporate Commitment to ESG & Sustainable Business Practices

The founders and partners of SYQUANT recognize the importance of responsible growth as a foundation for long-term, sustainable success and have built the business around these shared values. Since SYQUANT was founded in 2005, the firm has followed a responsible growth strategy through:

- Delivering attractive risk-adjusted returns through the market cycle,
- Building and maintaining a strong, diverse team with a collegiate and inclusive culture; and,
- Developing an institutional, robust, and scalable infrastructure.

In line with our values & principles outlined above, SYQUANT has developed its corporate practices to ensure the firm is managed in a responsible manner and is committed to responsible business practices and robust corporate governance. Implementing appropriate ESG initiatives can foster a strong corporate culture and support our ability to build, motivate and retain a high-caliber team which we believe are primary drivers of sustainable long-term success of our business.

To demonstrate its commitment to corporate responsibility and employee wellbeing, SYQUANT Capital has made several company initiatives addressing each ESG pillar as summarized below. This commitment is supported by a growing number of corporate initiatives which continue to be developed on an on-going basis and periodically reviewed, to (i) assess progress made and (ii) identify areas for further development.

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- Integrate consideration of environmental issues into business management decisions
- Endeavor to lessen the environmental footprint of our management company through increased awareness and sustainable office & employee practices
- SYQUANT Capital has implemented: green-commuting initiatives, paper reduction & waste minimization practices, energy-aware office initiatives, travel policy

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- Create a positive work environment and offer thoughtful company benefits to support employee well-being and satisfaction
- Develop a framework to support an inclusive corporate culture and establish learning & development programs for developing and retaining talent within the organization
- Develop corporate giving arrangements to benefit society
- SYQUANT Capital has implemented: health insurance and additional policies, profit sharing plan, initiatives to improve employee support, satisfaction and wellness, whistleblowing policy

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- Maintain a robust governance structure and compliance culture to support a sustainable, long-term business.
- Provide equal opportunity and fair compensation in all aspects of employment to all employees without regard to sex, race, national origin, or religion
- Uphold a strong code of ethics
- SYQUANT Capital has implemented: code of ethics, remuneration policy, conflict of interest policy, compliance monitoring program & risk framework, voting policy, ongoing due diligence of all service providers.

Please note, more information regarding 'Corporate Initiatives' is available upon request.