

Summary

This disclosure is made by the Polar Capital Funds plc – Global Insurance Fund (the Fund') pursuant to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR). The Fund is a financial product that promotes an environmental or social characteristic under Article 8 SFDR by investing in the global insurance industry and predominantly focusing on investing on the non-life sub-sector, which the Investment Manager believes positively impacts most, if not all of the United Nations Sustainable Development Goals (UN SDGs).

The Investment Manager believes that the non-life subsector of the insurance industry promotes the UN SDGs not only through providing the critical service of loss reimbursement to individuals, corporations and/or governments who have experienced damage or loss due to events such as severe weather conditions, but also through pricing risks appropriately which in turn encourages better and safer behaviours.

The Investment Manager evaluates how its investee companies perform from an environmental, social and governance (ESG) perspective against its proprietary ESG scoring process. This scoring process is used to gain an understanding of an investee company's direction from an ESG perspective over time and is used by the Investment Manager as one of the inputs into its proprietary UN SDG matrix, which assesses which UN SDGs the investee companies in the Fund impact and to what extent.

Investee Companies' ESG profiles are evaluated by the Investment Manager on a quarterly basis as part of its ongoing review process. They are updated throughout each quarter as new information comes to light and as the Investment Manager meets with the management of investee companies.

The Investment Manager sources the information it requires to evaluate a company's ESG profiles through companies' annual and ESG report, through meetings with a company's management and site visits, through the Investment Manager's ESG audits, through industry engagement and through third-party data and ratings providers.

No sustainable investment objective disclaimer

The Fund promotes environmental and social characteristics but does not have as its objective a sustainable investment as defined under the SFDR.

Environmental or social characteristic promoted by the Fund

The Fund invests broadly in the global insurance industry but predominantly focuses on investing in the non-life subsector (also known as property and casualty insurance), which the Investment Manager believes positively impacts most, if not all, the UN SDGs.

The UN SDGs are part of the United Nation's 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015, and comprise 17 goals which aim to tackle the world's approach to the

environment through considerations such as responsible consumption and production, and social matters, such as ending poverty and ensuring children receive quality education. The full list of the 17 UN SDGs can be found on the UN's website: <https://sdgs.un.org/goals>.

Where investee companies demonstrate deteriorating performance on environmental, social and governance metrics that the Investment Manager believes are relevant, the Investment Manager will engage with those investee companies to encourage improved ESG performance thereby ensuring continued alignment with the UN SDGs.

Description of the investment strategy of the Fund

The Investment Manager believes that the fundamental role of the insurance industry is to manage and mitigate individuals', corporations' and governments' exposure to risks posed by events such as severe weather events, natural catastrophes, accidents or human negligence.

The Investment Manager believes the critical service provided by insurers in the management and mitigation of these risks positively impacts most, if not all the UN SDGs, which provide a robust framework for assessing the environmental and social impact of business activities. The Investment Manager believes this is not only as a result of the loss reimbursement provided by the insurance industry, but also in its encouragement of safer behaviours in a number of industries through its pricing of risk.

The Investment Manager's strategy is to invest in a concentrated portfolio, typically between 30-35 stocks, and to invest for the long term, with the objective of providing an attractive total return irrespective of broader markets.

The Investment Manager's key performance metric for evaluating issuers within the Fund's investment universe is growth in tangible book value per share, which ensures the Investment Manager's investment decision-making process is focused on managing the downside risks that may disrupt an issuer's growth of book value per share.

The Investment Manager's investment decision-making process involves a robust assessment of an issuer's governance framework given the importance of an issuer's long-term focus and close alignment of the issuer's management with investors and other stakeholders through the management's material ownership interest in the issuer.

The Investment Manager evaluates a company's management of its climate risk exposures and seeks to limit the Fund's investment in companies whose look-through premiums are exposed to property catastrophe reinsurance (as a result of events such as earthquakes, hurricanes and other natural catastrophes) above a percentage the Investment Manager deems appropriate in the current market conditions.

The Investment Manager seeks only to invest in companies with exposure to risks underwritten by it where the Investment Manager has confidence the company has priced for, and understands, those risks.

The Investment Manager evaluates a company's societal focus by assessing a number of metrics determined by the Investment Manager given the Fund's focus on best-in-class underwriting and high quality human capital management, as well as the approach taken by companies to help close the insurance industry's 'protection gap', defined as the level of economic losses suffered during a given year that were not insured.

Where appropriate, and given the mix of business written, the Investment Manager will evaluate a company's engagement in industry initiatives, led by parties such as the Insurance Development Forum (IDF), the United Nations and the World Bank, as relevant factors in its assessment.

The Investment Manager does not apply an exclusionary policy for companies that are non-compliant with certain sustainability factors, but actively engages with companies on their underwriting and investment approaches to encourage more sustainable practices.

The Investment Manager evaluates a company's approach to sustainability with reference to the Investment Manager's multi-factor and directional ESG scoring model which is evaluated and, where appropriate, updated on a quarterly basis.

This ESG scoring process is then used as one of the inputs for the Investment Manager's proprietary UN SDG Matrix, which measures the alignment of investee companies and the Fund as a whole with the UN SDG.

Description of methodologies used by the Investment Manager to evaluate the characteristics

The Investment Manager assesses the ESG profiles of companies through its proprietary ESG scoring process, which evaluates companies based on over 20 separate ESG factors. Each individual company will be attributed a score for its performance on each of the environmental, social and governance factors outlined by the Investment Manager. Companies will then be attributed an overall ESG score, which is calculated based on a weighted average of the company's environmental, social and governance scores.

The Investment Manager weights governance as the most important of the ESG factors as it seeks good management who will help to drive change from an environmental and social perspective.

The Investment Manager reviews individual company scores over time to form a directional assessment of the issuer from a sustainability perspective and to ensure portfolio holdings are continually improving on and executing on their sustainability goals and that the issuer adheres to best in industry practice.

The Investment Manager then incorporates its evaluation of a company from an ESG perspective with its evaluation of the company's underwriting exposures and its assessment of the actions the company has taken in support of the UN SDGs over a given reference period to form an assessment of how that company contributes to the UN SDGs.

Description of how the environmental or social characteristics are monitored

The Investment Manager reviews a company's ESG scores over time to form a directional assessment of the company from a sustainability perspective and to ensure portfolio holdings are continually improving on and executing on their sustainability goals and that the company adheres to best in industry practice.

The Investment Manager may adjust a company's scores during a quarter because of the Investment Manager's interaction with management or the publication of new relevant documentation by a company, such as a sustainability report.

The Investment Manager's regular engagement with a company's management, and through participation in insurance industry forums, adds to the continuous monitoring of company scores. Particular focus is given by the Investment Manager during these engagements on areas where improvements can be made to a company's sustainability practices.

Each quarter, the Investment Manager conducts a full review of its investee companies, which includes an analysis of the performance of an investee company from an ESG perspective, including reference to the Investment Manager's ESG scoring process.

Description of the data sources used and how they are processed

The Investment Manager's proprietary ESG process draws upon publicly available ESG disclosures, ESG audits carried out by the Investment Manager and third-party ESG data providers who provide information on the relevant company.

Description of the limitations of the methodology and data

The Investment Manager's approach to evaluating the environmental, social and governance profiles of companies within its investment universe may be constrained by the availability, quality and relevance of sustainability-related data available to the Investment Manager.

The availability, quality and relevance of data relating to sustainability within the global insurance investment universe may be limited, both in an absolute sense and in comparison to data on sustainability within other investment universes, due to a lack of sustainability-related regulations and reporting standards; changes in sustainability-related regulations and reporting standards; inconsistencies in sustainability-related regulations and reporting standards between jurisdictions; a lack of historical information available on sustainability for companies; low coverage on, or

inconsistencies with respect to the evaluation of particular companies by third-party research and data providers or material inaccuracies in the sustainability-related information reported by companies.

Limitations in the availability, quality and relevance of the sustainability-related data outlined above may make it difficult for the Investment Manager to ascertain the sustainability profile of a company, to assess the progress of a company from a sustainability perspective over a certain timeframe, to carry out consistent analysis on companies from a sustainability perspective against its industry peers in the same or other jurisdictions, or to verify the Investment Manager's assumptions and calculations concerning a particular company.

Description of reference benchmark as an index

The Fund does not have a reference benchmark for the purpose of measuring its achievement of its environmental or social characteristics.

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