Sustainability-Related Disclosures

ESG Policy

LFP Opportunity – DELFF Convertible Bonds

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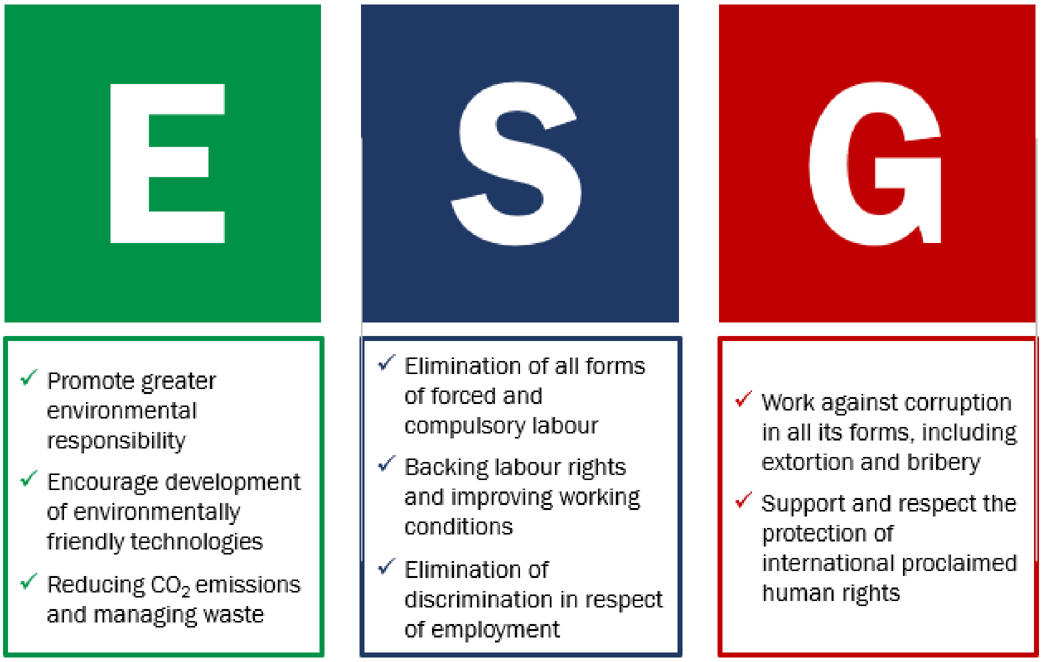
SUMMARY

At DELFF Management Ltd (“DELFF,” “The Firm,” “We”), responsible investment is a core priority. We believe that taking a responsible approach towards the funds we advise, our employees, suppliers, local communities, the environment, and society is crucial to our success.

For this reason, LFP Opportunity – DELFF Convertible Bonds (“the Subfund”) integrates Environmental, Social, and Corporate Governance (“ESG”) factors into every stage of its investment process. Our ESG approach emphasizes non-financial performance indicators, focusing on the environmental and social impact of companies’ activity, and the way their businesses are managed.

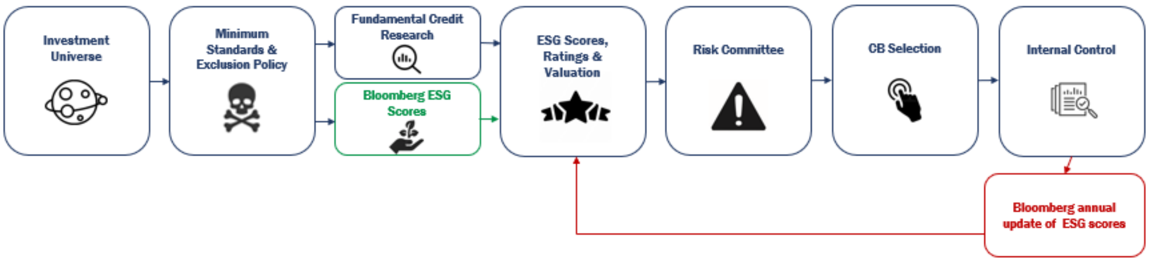


ESG criteria are incorporated into the Subfund´s investment and risk monitoring processes as follows:

- LFP Opportunity – DELFF Convertible Bonds promotes environmental or social characteristics in accordance with Article 8 of the SFDR (EU) 2019/2088 but does not have a sustainable investment objective (Article 9).
- DELFF has integrated extra-financial criteria into the Subfund’s investment process by embedding ESG risks into the bottom-up fundamental analysis.
- DELFF has developed a Minimum Standards & Exclusion Policy that prohibits investment in companies that do not comply with various extra-financial criteria.
- The Subfund has chosen Bloomberg as its external provider for the quality of its ESG scores. Bloomberg´s ratings assess a company´s exposure to and management of financially significant industry-specific environmental, social, and governance risks and opportunities.
- The Subfund´s Risk Committee analyses all the risks of the portfolio including credit risk, market risk, and any ESG related key risks or opportunities.

- The monitoring of ESG rules is a continuous and evolving process, which notably involves a full annual review of ESG scores by Bloomberg to ensure that the scores reflect the current situation.

LFP OPPORTUNITY – DELFF Convertible Bonds
ESG Monitoring Process



NO SUSTAINABLE INVESTMENT OBJECTIVE

LFP Opportunity – DELFF Convertible Bonds promotes environmental or social characteristics in accordance with Article 8 of the SFDR (EU) 2019/2088, but it does not have a sustainable investment objective (Article 9).

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

LFP Opportunity – DELFF Convertible Bonds upholds ESG characteristics. Through its ESG analysis, it aims to evaluate the environmental and social impact of companies´ activities, and the ways their businesses are managed.

The Subfund has chosen Bloomberg as its external provider for its ESG scores. Bloomberg´s methodology evaluates over 30 issues and dozens of sub-issues, structured into a clear hierarchy, assessing hundreds of carefully selected ESG data points considered financially significant by standards organizations such as SASB and industry associations.

A. Environmental

The depletion of natural resources and the advent of climate change have raised concerns about the threat to the environment and its potential financial impact on businesses.

- Air quality
- Climate exposure
- Ecological impact
- Energy management
- Environmental supply chain management
- GHG emissions management
- Sustainable finance
- Sustainable product
- Waste management
- Water management

B. Social

The “S” in ESG looks at the impact a company has on its employees, local communities, and society. Indeed, human and Labor rights are becoming important in analysing the way businesses operate, partly due to the growing scrutiny and pressure from stakeholders. When these rights are respected, they can generate competitive advantages.

- Access & affordability
- Community rights & relations
- Customer welfare
- Data security & customer privacy
- Ethics & compliance
- Labour & employment practices
- Marketing & labelling
- Occupational health & safety management
- Operational risk management
- Product quality management
- Social supply chain management

C. Corporate Governance

Corporate governance relates to the way companies are managed and overseen. Thorough corporate governance is essential to deliver long-term shareholder value. The board of directors and senior management are accountable to investors for protecting and generating value over the long term. We expect the board to oversee and monitor the effectiveness of the environmental and social risk framework and protect shareholders' rights.

- Board composition: director roles, diversity, independence, refreshment
- Executive compensation: incentive structure, pay governance, pay for performance
- Shareholder rights: shareholder policies, director voting
- Audit: audit committee, external auditor, audit outcome

INVESTMENT STRATEGY

Responsible investment is a key priority for LFP Opportunity – DELFF Convertible Bonds. DELFF believes that a responsible approach towards the funds it advises, its employees, suppliers, local communities, the environment, and society is an essential part of its success.

Responsible investment, and subsequently responsible ownership, require thorough analysis, sound judgement, and effective risk mitigation. Investment managers and analysts understand the ESG risks to which the portfolio is exposed through:

- Access to relevant ESG information, making it possible to identify sustainability risks and opportunities
- The integration of sustainability risks in the investment decision-making process
- An assessment of sustainability risks across the portfolio

To meet the ESG characteristics promoted by the Subfund, DELFF applies an exclusion policy that restricts or prohibits investments in companies that do not meet specific extra-financial criteria.

To ensure strong ESG integration, the Subfund´s Investment Team conduct an analysis of the ESG characteristics of potential investments. LFP Opportunity – DELFF Convertible Bonds has selected Bloomberg as its external provider for ESG scores. Bloomberg's ratings include a thorough examination of companies' governance practices, such as board composition, executive compensation, shareholder rights, and auditing.

The 20% of issuers with the lowest ESG scores in the initial investment universe are systematically excluded. Moreover, the Investment Team aims to maintain the portfolio's weighted average ESG rating above the minimum threshold of 4.0/10.

Once an investment is booked in the portfolio, it is closely monitored by the analysts to ensure continued alignment with the Subfund´s investment strategy.

PROPORTION OF INVESTMENTS

The typical allocation (which the portfolio manager may deviate from at any time in accordance with the prospectus) involves investing 90% of the net assets in convertible bonds.

While these bonds do not have a specific sustainable investment focus, they must pass our exclusion policy.

The portfolio manager aims to ensure that at least 90% of the convertible bonds in the portfolio have received an ESG score from Bloomberg. This meets the requirements of our ESG screening process, which excludes issuers within the lowest 20% of ESG scores from the initial investment universe. This objective can only be achieved if the portfolio manager receives the necessary information from the companies.

The remaining 10% of net assets may be invested primarily in bonds or derivative contracts where the ESG characteristics rating may not be taken into account.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Subfund Risk Committee analyzes all portfolio risks, including credit, market, and ESG risks and opportunities.

Once an investment is booked in the portfolio, it is closely monitored by the analysts, who regularly review company documents, independent research material, and media news on that company. All the process is supervised by the Portfolio Manager and Risk Committee. ESG ratings are tracked continuously in real-time through portfolio management monitoring tools, ensuring that any significant changes are promptly identified and addressed.

This monitoring process:

- Evaluates how the issuer is performing
- Monitors any changes that may affect the rationale for maintaining it as an investment
- Identifies any potential reputational risk that may make the investment socially and economically unacceptable

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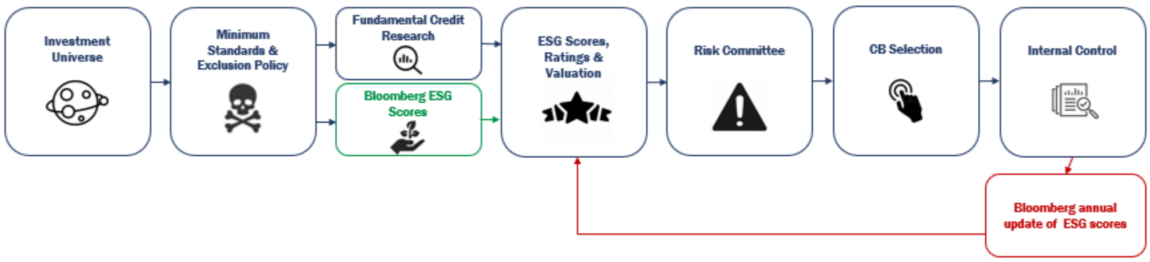
ESG Monitoring Process



Additionally, Bloomberg performs an annual review of ESG scores to ensure they reflect the current situation. If a company's ESG rating is downgraded to the point where it is no longer eligible for investment, the Risk Committee will take the necessary measures.

METHOLODOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

To meet the ESG characteristics promoted by the Subfund, the Investment Team resorts to several tools:

A. Exclusion Policy

The Subfund's investment guidelines include DELFF's Minimum Standards & Exclusion Policy, which restricts or prohibits investments in companies that do not meet specific extra-financial criteria. Additionally, companies located in countries listed on the black or red lists established by the Management Company are excluded. The Chief Compliance Officer has veto rights to ensure that any investment is eligible and complies with the funds investment guidelines.

B. ESG Screening

The Subfund employs an ESG screening process using Bloomberg's ratings as a starting point for assessing the ESG performance of potential investments. The investment manager aims to have at least 90% of the CB portfolio rated at any time.

The 20% of issuers with the lowest ESG scores in the initial investment universe are eliminated. Moreover, issuers' ESG ratings affect investment decisions as the Investment Team aims to maintain the average ESG rating of the portfolio above a minimum threshold of 4.0/10.

Companies with the lowest ESG scores are reviewed by analysts and, if necessary, escalated to the Risk Committee. The Risk Committee can decide to contact the issuer to request further ESG commitment or to deem the investment ineligible and ask for its liquidation. When material ESG risks are identified and deemed acceptable by the Risk Committee, the approval will be thoroughly documented. In deciding the appropriate action, the Risk Committee considers the severity of the risk impact and the probability of its occurrence.

C. Ongoing monitoring

ESG scores are continuously monitored in real-time through portfolio management tools, enabling the Investment Team to promptly address any significant changes. Bloomberg also conducts an annual review of ESG ratings to ensure that the scores accurately reflect current conditions.

D. Integration in Decision-Making

ESG factors are integrated into the broader investment decision-making process, guiding both the selection of new investments and the ongoing management of the portfolio. The Risk Committee and Portfolio Manager oversee this integration, ensuring alignment with the Subfund's environmental and social objectives.

DATA SOURCES AND PROCESSING

To collect its ESG data, the Research Team assesses:

- Information and documentation made public by the companies, such as annual and sustainability reports or the companies´ websites
- Companies' performance according to recognized benchmarks such as the CDP Climate Change questionnaire
- Data provided by Bloomberg
- Other external data

It is important to note that the accuracy and currency of our analysis depends on the transparency, availability and quality of the data provided.

The Subfund has chosen Bloomberg as its external provider for its ESG scores. Bloomberg's ratings assess how much a company is exposed to, and how well it manages, ESG risks and opportunities that are specific to its industry and could have a financial impact. They are based on publicly available company-disclosed data and updated annually. Through a robust quantitative process, Bloomberg attributes a score from 0 to 10 to E, S, and G, as well as a global ESG score based on how well each factor is reported and managed by companies. A score of 10 means no ESG risk. Bloomberg's ratings and underlying data are transparent, with full access to the materiality framework, methodology, and model inputs. We aim to have at least 90% of the CB portfolio rated at any time.

LIMITATIONS TO METHODOLOGIES AND DATA

In applying its ESG strategy, the Investment Team has encountered two main challenges:

- **Limited Sustainability Reporting**

Companies engaged in environmentally sustainable activities, such as renewable energy production, may receive low Bloomberg ESG ratings due to insufficient sustainability reporting. To address this hurdle, the Subfund has implemented a provision allowing investment in companies with low ESG ratings if they demonstrate a European Taxonomy alignment (based on turnover) of 50% or higher.

- **Coverage Gaps**

While Bloomberg's ESG data coverage is extensive, encompassing over 11,500 companies across 100+ countries, some companies may still lack a Bloomberg ESG rating. To mitigate this, the Subfund aims for at least 90% of the convertible bonds in the portfolio to have an ESG score from Bloomberg.

These limitations do not compromise the Subfund's commitment to promoting environmental and social characteristics. Measures have been established to address these challenges, ensuring that the ESG strategy remains robust and aligned with its objectives.

DUE DILIGENCE

Due diligence is a cornerstone of the investment process for LFP Opportunity – DELFF Convertible Bonds, ensuring that all investments meet the ESG criteria established by DELFF Management Ltd. The due diligence process involves both internal and external controls, including:

- A comprehensive assessment of each potential investment, focusing on both financial and non-financial criteria, with particular attention to ESG risks and opportunities
- The integration of ESG factors into the bottom-up fundamental analysis, ensuring that investments align with the Subfund's strategy
- Continuous monitoring of investments post-booking by analysts with oversight by the Risk Committee. This includes reviewing updates from company documents, independent research, Bloomberg, and media reports to ensure ongoing compliance with ESG standards.
- The use of Bloomberg's ESG scores as an external control mechanism, ensuring an independent assessment of each company's ESG performance. Any significant changes in a company's ESG score are promptly addressed by the Risk Committee, which may involve engaging with the issuer or divesting from the investment if it no longer aligns with the Subfund's ESG objectives.

This thorough due diligence process is designed to mitigate risks, identify opportunities, and ensure that the Subfund remains true to its commitment to promoting environmental, social, and governance characteristics.

ENGAGEMENT POLICIES

While the Subfund does not currently have a formal engagement policy, we are committed to monitoring our investments for adherence to ESG principles. In instances where significant ESG issues arise, we may choose to engage with issuers on a case-by-case basis to encourage improvements. Our primary focus remains on integrating ESG criteria into our investment process and making informed decisions based on available data.

DESIGNATED REFERENCE BENCHMARK

No reference benchmark has been designated to achieve the environmental or social characteristics promoted by the compartment.