

Summary

The following gives an overview of the Sub-Fund QIC GCC Equity Fund's key characteristics with regards to its compliance with Article 8.

No Sustainable Investment's Objective

The Sub-Fund promotes environmental or social characteristics but does not have a sustainable investment objective.

Environmental Or Social Characteristics of The Financial Product

The Sub-Fund promotes environmental and social characteristics with a specific focus on climate change management, water management, ocean sustainability, childrens' rights, human rights, tax and transparency and anti-corruption. the portfolio managers will strive not to select any investment that do not support or conduct good governance practises as for example outlined in the United Nations Global Compact's ten principles, which outline a value system for corporate sustainability in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

Investment Strategy

The objective of the Sub-Fund is investing primarily in securities listed on the stock markets located in the Cooperation Council for Arab States of the Gulf, known as Gulf Cooperation Council (hereinafter the "GCC").

The Sub-Fund seeks to outperform the index "S&P GCC Composite Index". However, the Sub-Fund is actively managed and does not replicate the index S&P GCC Composite Index or other indices for the purpose of attaining the promoted environmental or social characteristics.

The Sub-Fund does not seek to invest in sustainable investments as defined by the EU Taxonomy Regulation, i. e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund's ESG methodology, considers the following elements depending on the extent to which investments are expected to contribute to the promoted environmental and social characteristics:

- Negative Screening (Exclusion Criteria)
- Positive screening (the Investment Manager integrates ESG considerations into its investment decision-making process by using the ESG score obtained from the third-party data providers)
- Consideration of Principal Adverse Impacts

The Investment Manager applies on continuous basis ESG integration and a risk management methodology to determine the eligibility of companies for investment in the sub-fund.

The Investment Manager considers management quality, shareholder rights, corporate governance and social and environmental responsibility of the investee companies when investing.

Proportion of Investments

The Sub-Fund invests at least 75% of its net assets that have been determined as "eligible" as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics)).

Up to 25% of its net assets are not aligned with their characteristics (#2 Other).

The Sub-Fund directly invests and owns the equity shares of the investee companies, and its exposure is limited to its ownership.

A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus for this financial product.

Monitoring of Environmental or Social Characteristics

The monitoring of these indicators is done on an ongoing basis throughout the lifecycle of the sub-fund. If external third-party data providers/Internal Review changes any ratings/scores in the interim, those are applied in the interim as and when they become available with the supporting documents. The monitoring of the environmental or social characteristics is done on an ongoing basis throughout the year and pre-trade checks ensure daily compliance.

Methodologies

Step 1:

Exclusion criteria. We commit to not invest in companies that has exposure to the following areas:

- Countries facing UN sanctions
- Producer and user of conventional weapons and firearms
- Controversial weapons
- Nuclear power companies
- Tobacco producers and sellers
- Producers of adult entertainment
- Animal testing
- Thermal Coal
- Gambling

Step 2:

Sub-step 1: We commit to investing in companies that score well on ratings/scores from external data providers/internal scoring model.

Step 3:

PAI 4 Criteria

Exposure to companies active in the fossil fuel sector is limited to 29.99% of the portfolio's net assets.

Exposure to companies active in the hazardous waste is entirely not permitted and is excluded.

Exposure to companies who're in violation of UN Global Compact Principles is entirely not permitted and is excluded.

Exposure to companies who have exposure to controversial weapons is entirely not permitted and is excluded.

On a consolidated level, we have committed that 75% of our portfolio's net assets will comply on a daily basis with all of the above while 25% can remain in the non-compliant category.

Data Sources & Processing

As data sources, the investment manager employs a combination of research, news, information gathered through dialogue with companies and data from external research providers.

a. the measures taken to ensure data quality

The Investment Manager ensures that the data is collected only through reliable sources like:

- a) Public corporate documentation (e. g. sustainability reports, annual reports, corporate governance reports, corporate websites, stock exchanges announcements).
- b) Direct exchange with companies (Investor Relations and CFOs) to confirm the accuracy of the data reported.
- c) Investment team's on-ground research

- b. Data is sourced from third party service providers. In the absence of their ratings, the Fund will use all available data of the company, apply it to our rigorous methodology and arrive at our own score.
- c. All available data is used and we try to keep estimates to a minimum.

Limitation To Methodologies & Data

- a. any limitations to the methodologies and to the data sources:

The management process relies in part on data provided by external rating agencies, which may apply different models and which may contain inaccurate or incomplete data. In case of insufficient data, ESG data providers may rely on estimates and approximations using internal methodologies that may be subjective. These methodologies may also vary for each data provider. In addition, it should be noted that the consideration of extra-financial data when constructing portfolios may lead to the exclusion of certain issuers and imply the foregoing of certain investment opportunities that would nevertheless be available to a fund not considering such data.

- b. how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met.
 - i. The Investment Manager has established contacts/relationships with many research houses and external data providers and overcomes lack of disclosures by using those relationships developed over the years.
 - ii. The Investment Manager constantly reviews and update the internal developed scoring process and have devised proper checks and balances and systems to ensure data and information used in the analysis is of the optimal quality.

Due Diligence

The Investment Manager applies a rigorous investment due diligence process that combines a negative screening, positive screening and consideration of Principle Adverse Impact indicators (PAIs). External third-party data providers and internal scoring methodology process is developed that aids to the overall due diligence process. The Investment Manager also conducts pre-trade compliance checks before placing any trades (buy/sell) to assess the impact on the portfolio and consequently on its Article 8 compliance status; thus, ensuring daily compliance.

Engagement Policies

Our engagement with investee companies is limited to our investment research process that covers both ESG and non-ESG factors. Such engagements comprise of meeting with the management over video calls, company visits, conferences (company or through research houses). In case of any sustainability-related controversies in investee companies, we may decide to engage with either the company or the rating/scores provider, or both to assess the impact on the ratings/scores.

Designated Reference Benchmark

No specific ESG index has been designated to meet the environmental or social characteristics promoted by the financial product.