



SEI Investments Global, Limited

SIGL ESG Policy

01 July 2024

Introduction

SIGL, which is authorised as a UCITS management company under Part 4 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the “**UCITS Regulations**”) and as an Alternative Investment Funds Manager (“**AIFM**”) under Part 2 of the European Union (Alternative Investment Fund Managers) Regulations 2013, as amended (“**AIFM Regulations**”) is required to establish this ESG policy (the “**ESG Policy**”) which is in accordance with the requirements under Regulation (EU) 2019/2088 (the “**Sustainable Finance Disclosure Regulation (SFDR)**”).

SIGL has delegated investment management functions to SEI Investments Management Corporation (the “**Investment Adviser**”). The Investment Adviser operates as a “manager of managers”, as a direct portfolio manager, and as an overlay manager. In its role as a manager of managers, the Investment Adviser hires firms to provide investment management or advisory services to the SEI Global Master Fund plc, SEI Global Assets Fund plc, SEI Global Investments Fund plc, or collectively known as the “**UCITS Funds**” and the SEI Global Investments CCF, SEI Institutional CCF, collectively known as the “**CCFs**”. Together the SEI UCITS Funds and the CCFs are collectively known as the “**Funds**”. Each Fund is constituted as an umbrella fund with a number of sub-funds (the “**Sub-Funds**”). In its role as a direct portfolio manager, the Investment Adviser appoints its own investment professionals as portfolio manager to provide investment management or advisory service to the Funds. Portfolio managers hired by the Investment Adviser to manage portfolios for the Funds are referred to as **External Portfolio Managers**. Portfolio Managers employed by the Investment Adviser are referred to as **Internal Portfolio Managers**. Together the External Portfolio Managers, the Internal Portfolio Managers are collectively known as the “**Portfolio Manager**”. In its role as an Overlay Manager, the Investment Adviser receives model portfolios from one or more Portfolio Managers. Models are comprised of the Portfolio Manager’s recommendations for the purchase or sale of securities in a Sub-Fund. Securities recommended or suggested for purchase within the Portfolio Manager’s model portfolios are assessed by the Investment Adviser in its capacity as Overlay Manager and considered alongside securities identified by the Investment Adviser for purchase or sale in the Sub-Fund.

APPROACH TO SUSTAINABLE INVESTMENT

The Investment Adviser recognizes that sustainability is important to investors and that many seek to minimize negative sustainability impacts and/or maximize positive sustainability outcomes through their investments. The Investment Adviser acknowledges that environmental, social and governance (“ESG”) factors may have material impacts on the financial performance of an investment, thereby impacting investors’ ability to take advantage of opportunities, manage risk and achieve return objectives. The Investment Adviser seeks to consider ESG and sustainability factors in the management of the Sub-Funds by (i) performing an ESG assessment as part of manager research to develop a deeper understanding of Portfolio Managers’ and Overlay Managers’ capabilities, (ii) by requiring all Portfolio Managers and Overlay Managers to consider material financial and non-financial risks as part of their investment process; (iii) by conducting effective and independent risk oversight and (iv) by striving to act as good stewards of assets through shareholder engagement and proxy voting.

Sustainability Risks

SFDR defines sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The Investment Adviser does not systematically assess the likely impact of sustainability risks on the returns of the Sub-Funds. Instead, the Investment Adviser relies on Portfolio Managers and Overlay Managers to evaluate the likely impact of sustainability risks on the returns of the Sub-Funds, and, in order to do so, carries out the actions outlined in this policy.

The universe of sustainability risks is very broad, and their relevance, materiality and impact on investments of a Sub-Fund will depend on a number of factors such as the investment strategy pursued by the Sub-Fund, asset class, asset location and asset sector. A sustainability risk may arise and impact a specific investment or may have a broader impact on an economic sector, geographical regions and/or jurisdictions and political regions. **If they materialise, sustainability risks can reduce the value of underlying investments held within a Sub-Fund and could have a material impact on the performance and returns of the Sub-Fund.** The returns of Sub-Funds that do not integrate assessments of sustainability risks in their investment processes may be more negatively impacted by sustainability risk events materialising.

Research

Underpinning the Investment Adviser’s investment solutions is a well-established foundation in manager research and selection. That process includes an evaluation of each Overlay Manager and Portfolio Manager’s approach to integrating sustainability in their investment process. To the extent consistent with their investment process, the Overlay Manager or Portfolio Managers may embed such sustainability considerations in their investment process in order to help mitigate sustainability risks and improve long-term financial results. The Overlay Manager and Portfolio Managers do so to varying degrees, depending on the particular firm’s and strategy’s investment process. The assessment is based on the following factors:

Firm Assessment

- **Profile:** Assess the Overlay Manager or Portfolio Manager’s commitment to sustainable investing by evaluating the breadth and longevity of its sustainable investment practices at both the firm and product level. This helps to identify firms that have long believed in sustainable investing and have developed aspects of their business to support it.
- **Resources:** Evaluate how well resourced the Overlay Manager or Portfolio Manager is to achieve its sustainable investing goals. This is the bridge between the Overlay Manager or Portfolio Manager’s words and its actions.
- **Practices:** Assess how the Overlay Manager or Portfolio Manager integrates sustainable investing in its investment process, from investment decision-making to stewardship. This helps to distinguish true sustainable investing from “greenwashing,” or presenting false integration of sustainable investing practices to attract clients.

Strategy Assessment

- Investing: Analyze the strategy’s integration of ESG factors, taking into account degree of materiality in affecting investment decisions and portfolio construction, quality of data and analytics employed, and alignment across the strategy’s investment team.
- Stewardship: Evaluate the Portfolio Manager’s approach to stewardship, focusing on reporting capabilities and the intensity and thoughtfulness of issuer engagement by the strategy’s investment team.

The Firm assessment applies to every Overlay Manager and Portfolio Manager that is considered for a sub-Fund, including the Investment Adviser. The Strategy assessment applies to every Portfolio Manager that is considered for a Sub-Fund. The assessment results in a firm and strategy score of strong, moderate, limited or weak. These ratings are a reflection of the Investment Adviser’s conviction in the Overlay Manager or Portfolio Manager’s ability to manage sustainability risks and opportunities in the investment process that the Overlay Manager or Portfolio Manager will implement in respect of a Sub-Fund. This evaluation is one of many factors available to the Investment Adviser when selecting Overlay Managers or Portfolio Managers; no minimum threshold has been established with respect to these capabilities in order for a firm to be hired as an Overlay Manager or Portfolio Manager for Sub-Funds that are categorized as Article 6.

For Sub-Funds that have been categorised as promoting environmental and social characteristics (“Article 8”) or having a sustainable investment objective (“Article 9”) under SFDR, where the Investment Adviser is operating as a manager of managers, or directly managing assets of the Sub-Fund itself, the Investment Adviser requires that at least 80% of the Sub-Fund’s assets (measured by Net Asset Value (NAV)) are managed by Portfolio Managers that receive a minimum combined score on both firm and strategy assessments that is defined in Figure 1 as “Eligible”. Additional Portfolio Managers that received a combined score on both firm and strategy assessments that is defined in Figure 1 as “Subject to Restrictions” may be appointed to manage up to 20% of the Sub-Fund’s NAV. Portfolio Managers which are classified as “Subject to Restrictions” will be a focus of the Investment Advisor’s engagement program.

Certain asset classes are excluded from the requirement to achieve a minimum strategy rating of Moderate because the Investment Adviser has determined that such asset classes cannot currently be accurately evaluated using the criteria employed by the Investment Adviser for such purposes. Portfolio Managers managing such excluded asset classes are still required to achieve a minimum Firm rating of Moderate in order to take exposure to such asset classes within Article 8 Funds. Excluded asset classes include derivatives, cash, currency, commodities and single-market developed market sovereign debt. Excluded asset classes may be re-evaluated over time. Where a Fund has exposure to excluded assets greater than 80% of the Net Asset Value of the Fund, it will not be considered to be an Article 8 Fund.

Figure 1: Eligibility for inclusion in Sub-Funds that have been categorised as Article 8 or Article 9

	Weak	Limited	Moderate	Strong
Strategy Firm				
Weak	Not Eligible	Not Eligible	Not Eligible	Eligible
Limited	Not Eligible	Subject to Restrictions	Subject to Restrictions	Eligible
Moderate	Not Eligible	Subject to Restrictions	Eligible	Eligible
Strong	Not Eligible	Subject to Restrictions	Eligible	Eligible

For Article 8 Sub-Funds, where the Investment Adviser is operating as an Overlay Manager, the Investment Adviser is required to maintain a minimum Firm rating of at least Moderate, and to achieve a satisfactory assessment of its operational procedures for addressing the Sub-Fund’s stated ESG criteria through overlay management. For Sub-Funds utilising the overlay manager model the Investment Adviser is responsible for any ESG considerations within those Funds as part of the overall investment decision process.

The Investment Adviser will review firm ratings biennially and strategy ratings annually. If an Overlay Manager or Portfolio Manager is determined to be no longer eligible for inclusion in a Sub-Fund that has been classified as Article 8 or Article 9 under SFDR, the Investment Adviser will work to resolve the issue as soon as practically possible.

In addition, the Investment Adviser's risk management team will monitor the Sub-Fund's Overlay Manager or Portfolio Managers monthly to determine if the Sub-Fund's NAV meets eligibility requirements described above. If a Sub-Fund's allocation to Portfolio Managers that are not eligible or are subject to engagement exceeds limits for more than three consecutive monitoring periods, the Investment Adviser will escalate the matter appropriately and resolve the issue as soon as practically possible.

Sustainability Considerations

In selecting investments for the Sub-Funds, the Overlay Manager or Portfolio Managers adhere to requirements set forth by the Investment Adviser in the prospectus for the Fund and any investment guidelines issued by the Investment Adviser for the Sub-Fund, including a requirement to consider material financial and non-financial risks.

For Sub-Funds that have been categorised as Article 8 or Article 9 under SFDR, the Sub-Fund's investment policy (as set out in the relevant prospectus for the Fund) and any investment guidelines for the Sub-Fund will require the Overlay Manager or Portfolio Manager to evaluate the likely impact of sustainability risks on the returns of the Sub-Fund. The Overlay Manager or Portfolio Manager determines which sustainability risks are material, or are likely to be material, to the returns of the Sub-Fund, using the process and capabilities assessed by the Investment Adviser in its sustainability assessment process (as outlined above).

For Sub-Funds that have been categorized as Article 8 or Article 9 under SFDR, the Fund's prospectus and any investment guidelines for the Sub-Fund will also specify which environmental and social characteristics are promoted by the Sub-Fund and/or the types of sustainable investments that are made by a Sub-Fund in order to achieve a sustainable investment.

The Investment Adviser does not currently systematically consider the adverse impacts of investment decisions on sustainability factors. SIGL's approach to Principal Adverse Impact due diligence in Sub-Funds that have been categorized as Article 8 or Article 9 is described in SIGL's Principal Adverse Impact Due Diligence Policy.

Investment Screening by the Investment Adviser

Potential investments for a Sub-Fund managed by SIGL are first selected in accordance with the investment objective and policies of the relevant Sub-Fund and then evaluated according to the following restrictions: i) a screen which aims to exclude investment in securities issued by an entity involved in the sale, production, research or development of Controversial Weapons, defined as anti-personnel mines, biological weapons, chemical weapons, and cluster munitions in the relevant Fund's prospectus. The definitions and guidelines on the nature and type of involvement in Controversial Weapons to be screened are set by the Investment Adviser in conjunction with its third-party screen provider; and ii) a screen which aims to exclude investment in securities issued by an entity that generates more than 10% of its annual revenue from involvement in thermal coal exploration, mining and production, as well as services that support thermal coal production. This screen does not include coal-fired power generation. The definitions and guidelines on the nature and type of involvement in thermal coal to be screened are set by the Investment Adviser in conjunction with its third-party research provider

Good Governance Assessment

Under SFDR, investment products that have been categorised as Article 8 or Article 9 must also invest only in securities issued by companies that have been evaluated for and determined to exhibit "good governance" practices with respect to certain factors, including sound management structures, employee relations, remuneration of staff and tax compliance.

Every Overlay Manager or Portfolio Manager that is eligible for inclusion in a Sub-Fund that has been classified as Article 8 or Article 9 under SFDR undergoes a good governance assessment that evaluates the Overlay Manager or Portfolio Manager's policy and approach to determining whether securities are issued by companies that exhibit "good governance" practices as described above. The assessment results in a rating of favorable or unfavorable. Only Overlay Managers and Portfolio Managers with a favorable rating are eligible to be hired in a Sub-Fund that has been classified as Article 8 or Article 9. For such Sub-Funds, the investment guidelines require that Overlay Managers and Portfolio Managers assess and determine that the issuer of a security exhibits "good governance" prior to making an investment. The Overlay Manager or Portfolio Manager may make this assessment using the process and capabilities assessed by the Investment Adviser.

In addition to receiving a favorable governance rating, the Investment Adviser's investment teams or when directly managing assets or operating as an Overlay Manager in Sub-Funds that have been categorized as Article 8 or Article 9 under SFDR, will describe their process for determining that securities are issued by companies that exhibit "good governance" practices prior to making an investment in the Fund's prospectus and any investment guidelines for the Sub-Fund.

The Investment Adviser will review governance assessments and update the list of eligible Overlay Managers and Portfolio Managers at least annually. If an Overlay Manager or Portfolio Manager is determined to be no longer eligible for inclusion in a Sub-Fund that has been classified as Article 8 or Article 9, the Investment Adviser will escalate the matter appropriately and resolve the issue as soon as practically possible keeping in mind the best interest of shareholders.

As part of its effective and independent risk management activities, the Investment Adviser conducts oversight for Sub-Funds that have been categorised as Article 8 or Article 9, in order to ensure that the Overlay Manager or Portfolio Manager's approach to assessing good governance has been adequately applied across the portfolio of the relevant Sub-Fund.

Sustainability Risk Management

As part of its effective and independent risk management activities, the Investment Adviser's risk management team conducts an additional layer of sustainability risk oversight for Sub-Funds that have been categorised as Article 8 or Article 9 under SFDR.

The goal of the sustainability risk oversight process is to ensure that the Sub-Funds are meeting expectations related to their environmental and social characteristics and if applicable, are meeting their defined sustainable investment objective. The process also ensures that the Sub-Funds meet the requirements set out in the prospectus for the Fund and investment guidelines of the Sub-Fund.

At least monthly, the Investment Adviser's Risk Management team evaluates a Sub-Fund's alignment with its stated environmental and social characteristics or sustainable investment objectives. A Sub-Fund determined to be misaligned with its stated environmental and social characteristics or sustainable investment objectives will be escalated appropriately.

Investment Stewardship

SIGL relies on the Investment Adviser, as its delegate, for investment stewardship. The Investment Adviser is responsible for ensuring that it has adequate and effective strategies for determining when and how ownership rights attached to the securities purchased by the Sub-Funds are exercised, to the benefit of the shareholders. In consultation with SIGL, the Investment Adviser has developed an investment stewardship strategy that seeks to support long-term management of sustainability risks and opportunities at the companies in which we invest through proxy voting and shareholder engagement.

Shareholder Engagement

The Investment Adviser works with third-party vendors to assist with shareholder engagement. These vendors help investors, such as the Sub-Funds, to manage risk and increase corporate accountability. The Investment Adviser believes that proactive, professional and constructive engagement with companies should lead to a general improvement in standards with respect to sustainability risks.

The Investment Adviser takes two complementary approaches to shareholder engagement.

- Norms and Standards: Engagement with companies with severe or persistent violations and/or breaches of global norms and standards related to sustainability, including environmental standards, human rights, labor rights and ethical business conduct.
- Thematic: Engagement with companies potentially exposed to risks and/or opportunities associated with sustainability megatrends and in support of the United Nations (UN) Sustainable Development Goals.

The Investment Adviser believes that collaborative engagement efforts may support constructive dialogue and reinforce positive long-term relationships with investee companies. By participating in engagement activities in partnership with other asset managers and asset owners, we believe that Investment Adviser can amplify its own voice as a shareholder across the assets where it has been appointed adviser.

Proxy Voting

The Investment Adviser works with each Portfolio Manager on developing an adequate and effective strategy for determining when and how voting rights attached to instruments held in the Sub-Funds are to be exercised. The Investment Adviser maintains a Proxy Voting Committee (the “**Committee**”) comprised of investment professionals and compliance advisory personnel. The Committee provides oversight of the Investment Adviser’s proxy-voting policy (the “**Proxy Policy**”) and activities and meets as necessary to perform its oversight function.

The Investment Adviser has elected to retain a third-party proxy voting service to vote proxies on behalf of the Sub-Funds in accordance with guidelines approved by the Committee, with certain limited exceptions as outlined in its Proxy Policy. The guidelines set forth the manner in which the Investment Adviser shall vote, or the manner in which the Investment Adviser shall determine how to vote, with respect to various matters that may come up for shareholder vote. So long as the proxy voting service provider votes proxies in accordance with the guidelines provided by it, the Investment Adviser believes that there is an appropriate presumption that the manner in which the Investment Adviser votes was not influenced by, and did not result from, a conflict of interest.

The shareholder engagement vendors and/or proxy voting service providers will at times provide to the Investment Adviser proxy-voting recommendations that may conflict with the guidelines. In such circumstances, the Committee will convene to consider the recommendation, in accordance with the conflict of interest policies set forth in the Proxy Policy. For any proposal where the Committee determines that the Investment Adviser does not have a material conflict of interest, the Committee may follow the recommendation of the shareholder engagement vendor and overrule the proxy voting service provider’s recommendation if the Committee reasonably determines that doing so is in the best interests of a Sub-Fund.

INDUSTRY COLLABORATION

The Investment Adviser and its affiliates, as wholly-owned affiliates of SEI Investments Company, seek to be active participants in industry dialogue related to ESG and sustainable investing. SEI is a signatory of the UN Principles for Responsible Investment (UN PRI).

Additionally, the Investment Adviser and/or its affiliates are participants in and/or signatories to a range of collaborative industry organizations, including but not limited to:

- Canadian Investor Statement on Diversity and Inclusion
- The Institutional Investing Diversity Cooperative
- The Investment Consultants Sustainability Working Group (U.S. and U.K.)

- The Responsible Investment Association of Canada
- Taskforce on Climate-related Financial Disclosures (TCFD)
- UK Stewardship Code
- 10,000 Black Interns

REVIEW

This policy will be reviewed on an annual basis and be updated, as necessary, for any changes or new arrangements.

Date: 01 July 2024

