Prescient

FUND SERVICES (IRELAND)

PRESCIENT FUND SERVICES (IRELAND) LIMITED

Sustainability Risk Assessment Policy

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1. Overview

1.1 The Manager

Prescient Fund Services (Ireland) Limited (the "**Manager**") acts as a UCITS management company and as an alternative investment fund manager (AIFM) to the following UCITS and AIF umbrella funds:

UCITS umbrella funds

- Prescient Global Funds ICAV
- Osmosis ICAV
- Osmosis UCITS CCF

AIF umbrella funds

- Prescient Common Contractual Fund
- Prescient Global Qualified Investor Fund ICAV

(each a "**Fund**", and each sub-fund thereof a "**Sub-Fund**")

1.2 Background to the Policy

In accordance with the requirements of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**"), the Manager is required to publish on its website information about its policy on the integration of sustainability risks in its investment decision-making process (the "**Policy**").

A sustainability risk is defined as an environmental, social or governance ("**ESG**") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment ("**Sustainability Risk**").

For the purposes of documenting the manner in which sustainability risks are integrated into the investment decision-making process that applies to the Sub-Funds, the Manager has adopted the Policy.

2. The ESG Framework

2.1 ESG Factors

The Manager considers that in order to establish and analyse the relevant Sustainability Risks, the ESG themes that may impact the value of an investment ("**ESG Factors**") must first be considered.

Although there is currently no commonly agreed comprehensive list of ESG Factors that can be applied by financial industry participants, it is possible to set out the following indicative list of ESG Factors based on the factors referenced in the EU legislative framework:

Environmental Factors	Social Factors	Governance Factors
Greenhouse gas emissions	Social and employee matters (UN Global Compact principles)	Social and employee matters (UN Global Compact principles)
Biodiversity and protection of healthy ecosystems	Exposure to controversial weapons	Diversity / inequality
Water use and management	Human rights policy	Anti-corruption and anti-bribery policies
Waste management	Safe work practices	Whistle-blower protection

Environmental Factors	Social Factors	Governance Factors
Energy use and efficiency	Human rights / inequality / corruption / rule of law (sovereigns)	

ESG Factors can have both positive and negative impacts on the returns of an investment. ESG Factors which can have a positive impact may be used when evaluating opportunities to generate returns. ESG Factors which may have a negative impact on returns can be referred to as Sustainability Risks.

Sustainability Risks are relevant as both standalone risks as well as cross-cutting risks, which may materialise through many other risk types (e.g. market risk, liquidity risk, counterparty risk).

For example, a Sub-Fund's investments may experience a negative financial impact when an investee company experiences reputational losses as a result of having poor labour conditions that affects the price of its equity securities or its ability to repay its debts. The financial performance of an investee company could be affected by environmental factors e.g. the introduction of a carbon tax may decrease the profitability of carbon-dependent businesses or decrease the competitiveness of their products.

2.2 The manner in which ESG Factors may give rise to Sustainability Risks

The Manager has identified the following transmission channels through which ESG Factors can give rise to Sustainability Risks and potentially impact on the returns of a Sub-Fund:

2.2.1 **Physical risk channel** – physical events e.g. extreme weather events or gradually deteriorating conditions in climate may give rise to financial risks. As environmental and social risks are closely interrelated, physical risks can lead to heightened social risks e.g. climate-related physical change affecting already disadvantaged populations in deprived parts of a geographical area.

2.2.2 **Transition risk channel** – exposure to entities negatively affected by the transition to a sustainable economy may give rise to financial risks including:

(a) climate and environment related policy changes, for example as a result of energy efficiency requirements, carbon-pricing mechanisms that increase the price of fossil fuels, or policies to encourage sustainable use of environmental resources;

(b) technological changes, for example if a technology with a less damaging impact on the climate or the environment replaces a technology that is more damaging; and

(c) behavioural changes, for example if the choices of consumers and investors shift towards products and services that are more sustainable and away from issuers involved in ESG controversies.

2.2.3 **Liability risk channel** – financial risks may stem from exposure to entities potentially held accountable for the negative impact of their activities on environmental, social and governance factors.

2.3 Sustainability Risk identification

The relevance of the ESG Factors and Sustainability Risks to a particular Sub-Fund depend on the nature of the Sub-Fund's investments. The Manager considers that the following characteristics of a Sub-Fund's investments are relevant in identification of the applicable ESG Factors and Sustainability Risks:

2.3.1 **Asset class** – the relevant ESG Factors are likely to depend on the type of investment and

issuer, i.e. whether the underlying investment is, for example, an equity, corporate bond, government bond, real estate or a commodity, and as a consequence the nature, likelihood and severity of Sustainability Risks.

2.3.2 **Geography** – investments may have different degrees of vulnerability to the impact of physical risks depending on the locations that they are exposed to. The degree of physical risk may depend on the likelihood of the occurrence of natural disasters or adverse weather conditions and the probability of their occurrence and their severity may depend on exposure to higher sea levels, likelihood of droughts or other climate-related hazards in given regions.

2.3.3 **Sector** – ESG Factors are likely to vary by sector with certain industries and types of issuers being more exposed than others to Sustainability Risks, for example issuers with high carbon intensity or issuers that may face significant challenges in adapting to a sustainable economy.

2.3.4 **Issuer** – specific issuers may have a history of involvement in ESG controversies or may be considered to be more exposed to same in view of their evaluation against the relevant ESG Factors e.g. if they engage in social and governance practices. Involvement in ESG controversies may have an adverse effect on the value of the securities of the relevant issuer which may also be influenced by the severity of the ESG controversy and the relative strength or substitutability of the issuer's products.

2.4 Application of the ESG Framework

The Manager refers to the framework comprised of the ESG Factors, risk channels and specific risks that may apply depending on asset type as outlined above for the purposes of identification of Sustainability Risks in respect of a Sub-Fund's investments (the "**ESG Framework**"). The relevant consideration for the identification of Sustainability Risks may vary for each Sub-Fund and the ESG Framework may not contain an exhaustive list of the relevant considerations in each specific case.

The effective application of the ESG Framework and identification and evaluation of Sustainability Risks is dependent on the availability of reliable data sources of the relevant information.

3. Integration of Sustainability Risks into the Investment Process

The Manager, in accordance with the UCITS and AIFMD regimes to which it is subject and its written policies and procedures, carries out initial and ongoing investment due diligence to ensure that investments decisions are in compliance with the objectives, investment strategy and risk limits of each Sub-Fund.

The Manager integrates the ESG Framework and the assessment of Sustainability Risks into the wider assessment of the relevant financial risks undertaken as part of the ongoing investment due diligence.

The Manager delegates the investment management responsibilities in respect of each Sub-Fund to an investment manager appointed in respect of the relevant Sub-Fund (each an "**Investment Manager**").

The assessment and the relevance of Sustainability Risks as determined by the Investment Managers will depend on the investment strategy of each Sub-Fund. The Manager evaluates the assessment and management of the Sustainability Risks against the ESG Framework as part of its oversight of the Investment Managers.

As required by SFDR, the prospectuses for the Funds will disclose the results of the assessment of the likely impacts of Sustainability Risks on the returns of each Sub-Fund or, where Sustainability Risks were not deemed to be relevant, an explanation why that was the case.

4. Policy Review

The Manager will periodically, and at least on an annual basis, review the Policy.