Sustainable Finance Disclosure Regulation ("SFDR")

Introduction

Under the EU Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) (the "**SFDR**"), financial market participants are subject to certain sustainability disclosure obligations. As an investment fund manager, Bowmark Capital LLP ("**Bowmark**") is required to make the following disclosures on its website in accordance with Articles 3 to 5 of the SFDR.

Integration of Sustainability Risks

A sustainability risk means "an environmental, social or governance event or condition which, if it occurs, could cause a material negative impact on the value of the investment".

Bowmark integrates sustainability risks into its investment decision-making process primarily through completing ESG due diligence on any new potential investment. A summary of the ESG due diligence findings, including a description of any risks and opportunities identified, is submitted to Bowmark's Investment Committee.

Where a portfolio company has a material negative exposure to a sustainability risk, Bowmark may choose not to invest in that portfolio company, on this basis alone. Bowmark considers this to be consistent with its objective of maximising financial returns for its funds, as investments with a lower exposure to sustainability risk tend to enjoy better long-term financial performance.

For each material risk identified during due diligence, a mitigation plan is formulated and these actions form part of the investee company's "100-day" plan post-investment. This policy applies equally to sustainability risk as it does to other forms of risk. Analysis of ESG issues is incorporated into the regular monitoring of all investments. Monitoring includes particular focus on areas of weakness identified in due diligence.

Bowmark takes an active role in improving awareness of ESG matters in its investee companies through regular attendance at Board meetings, seeking to influence, support and, where necessary, challenge management to ensure both ESG and Bowmark's wider corporate values are maintained.

Principal Adverse Impacts

Bowmark supports the objectives of SFDR with respect to transparency of due diligence policies and reporting against relevant quantitative metrics for its investments. At this stage, Bowmark has chosen not to consider formally the principal adverse impacts that investment decisions have on the environment and society, as defined by SFDR. This position is based on Bowmark's assessment that many of the required metrics in the draft legislation are not readily available and are not relevant to

Bowmark's investors or its ESG strategy. Furthermore, Bowmark considers that it would be unduly burdensome and disproportionate to require their investee companies to produce the required data.

Nevertheless, Bowmark does consider the general impact that its investment activities have on the environment and society, and the position with respect to SFDR disclosure will be kept under review.

Remuneration Disclosure

Bowmark has adopted a remuneration policy designed to ensure that our remuneration practices promote sound and effective risk management. Bowmark does not set quantitative sustainability-focused performance targets, albeit ESG matters are considered as a qualitative input to the appraisal and remuneration process. The policy is designed to ensure our remuneration practices do not reward or encourage excessive risk-taking. As part of this, all risks taken on behalf of investors are considered when making remuneration decisions, including a qualitative assessment of the long-term sustainability risks.

For legal and regulatory reasons, product level disclosures are accessible only via the relevant fund's virtual data room.