

Sustainability-related disclosures

New Capital Global Convertible Bond Fund

(Pursuant to Art. 10 of Regulation (EU) 2019/2088 and
Articles 25 to 36 of Commission Delegated Regulation (EU) 2022/1288)

This document contains Sustainability-related disclosures relating to New Capital Global Convertible Bond Fund (the “**Financial Product**” or **Fund**”), a sub-fund of New Capital UCITS Fund Plc, which promotes environmental and social characteristics in accordance with Article 8 of Regulation (EU) 2019/2088 (the “**Sustainable Finance Disclosure Regulation**” or “**SFDR**”).

a) **Summary**

The Fund is a financial product that promotes environmental and social (“**E&S**”) characteristics in accordance with Article 8 of SFDR but does not have as its objective sustainable investment.

The Fund promotes several E&S characteristics (or “**promotional characteristics**”) that can be linked to some of the Sustainable Development Goals (“**SDG**”) as further detailed herein. EFG Asset Management (Switzerland) SA and EFG Asset Management (North America) Corp. (the “**Sub-Investment Managers**”) invest in companies with good governance practices.

The Sub-Fund will focus on the best investment opportunities from the global universe of equity linked securities. The investment process comprises a bottom-up review of the investable universe so as to limit the risks, assess the opportunity for upside potential to be greater than the downside risk, review the valuation of underlying equities and assess potential growth opportunities in the value of such securities; and finally consolidate the individual data and construction of the portfolio. A top-down review will address regional and sectorial exposures for investment weights as well as equity sensitivities and ESG promotional aspects.

As part of the investment strategy, the Fund invests at least 75% of its assets in investments that are aligned with the E&S characteristics promoted by the Fund. It does not commit to making sustainable investments and consequently the minimum proportion of the Fund’s investments that contribute to environmentally sustainable economic activities for the purposes of Regulation (EU) 2020/852 (the “**EU Taxonomy**”) will be **0%**. A maximum of 25% of the Fund’s assets may be used for purposes other than to attain the environmental or social characteristics promoted by the Fund.

The Fund monitors the E&S characteristics promoted by the Fund through two different approaches. The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Fund are codified in the internal Investment Management System, meaning that companies in breach of the applicable rules are blocked for trading. As part of this process, the Fund monitors the alignment of its investments to the main recognized international standards (the “**Standards**”) exploiting data provided from Sustainalytics. Additionally, controls are implemented to ensure on a quarterly basis that the portfolio respects the applicable rules and no change occurred with respect to the securities already invested.

Subject to exceptional circumstances, all companies considered to be in breach of the Standards are removed from the portfolio and blocked for investment. In the event a company is found to be in breach of one of the other binding requirements, the Fund will evaluate the feasibility of an engagement to solve the issue or divest which will occur within 3 months of the discovery of the breach.

The Fund measures the attainment of the E&S characteristics promoted by the Fund by calculating the percentage of investments that are promoting at least one of the SDG as demonstrated by their activities, measurable data or internal processes e.g. by measuring the SDG scores of the proprietary ESG assessment tool (the “**Global Responsible Investment Platform**” or “**GRIP**”). The GRIP allows the Sub-Investment Managers to assign an ESG rating to investee companies on a 0% to 100% scale.

In relation to data sources, the Fund uses the internal GRIP ESG system that collects data from different external providers such as Refinitiv, Sustainalytics, CDP, RepRisk, and internal analysis. With reference to SDG3 and SDG 7, the promotional characteristics are used by measuring healthcare or pharmaceutical related revenues or by measuring the percentage of renewable energy production/consumption on total energy produced/consumed by the underlying company on the basis of data reported by Sustainalytics.

To reduce the risk of a lack of quality of data in respect of the GRIP, the Sub-Investment Managers use 3 high quality main data providers such as Refinitiv, Sustainalytics and RepRisk and aims to triangulate the data to obtain a better representation of the reality. Data is estimated only with reference to CO₂ emissions for companies where the data is unavailable.

To reduce the subjectivity of the GRIP approach, the definition of controversies and breach of Standards, EFG uses lists provided by a well-known ESG data/research provider i.e. Sustainalytics. When Sustainalytics data is not available, a quantitative approach is used to highlight which companies might be in breach or where the level of controversies is too high to consider the investment as promoting environmental or social characteristics or as sustainable. Additionally, in order to limit the risk that sub-optimal data might influence the environmental or social characteristics promoted by the Fund, companies that are exposed to significant controversies in one of the SDG are not considered promoting the specific SDG, irrespective of any other consideration.

In relation to due diligence, the Fund aims to have ESG ratings and monitor controversies for all investee companies. Additionally, the E&S characteristics are attributed only when companies are assessed by the GRIP, or other qualitative or quantitative processes, by exploiting data from different providers and assessing for controversies and litigation, allowing a reasonable picture of the main ESG characteristics of the underlying assets to be obtained.

In relation to engagement, the Sub-Investment Managers operate active voting and engagement policies that reflect the Fund’s environmental, social and governance themes.

Although the investment performance of the Fund will be measured against the Refinitiv Convertible Global Focus (USD Hedged) Index, it is not used as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

b) No sustainable investment objective

This Financial Product promotes environmental or social characteristics but does not have as its objective sustainable investment.

The Financial Product does not commit to make any sustainable investments.

c) Environmental or social characteristics of the financial product

To respect the requirements of art. 8 of SFDR, the Fund promotes the following E&S characteristics (or “**promotional characteristics**”) that can be linked to some of the SDG, as follows:

- Promotion of health and well-being (SDG 3)
- Better gender diversity and equal opportunities policies and practices (SDG 5)
- Improved water efficiency and management (SDG 6)
- Renewable energy production and consumption (SDG 7)
- Employment quality, health and safety and personal development opportunities (SDG 8)
- Environmental and sustainable product development. (SDG 9)
- Positive community impact (SDG 11)
- Responsible consumption and production (SDG 12)
- Reduced greenhouse gas emissions and climate policies (SDG 13)
- Respect of ecosystems and reduced impact on biodiversity (SDG 15)
- Fair and honest business practices (SDG 16)

Market factors and the Sub-Investment Managers’ expectations dictate the balance of the investment in the promotional characteristics at any given time and it might not always be possible to promote all the above characteristics at the same time.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

This Fund measures the attainment of the E&S characteristics promoted by calculating the percentage of investments that succeed to promote at least one of the SDG as detailed above. More details can be found in section g) further below and in the “*Approach to ESG Promotion and Sustainable Investing*” document that is available on the website at the following page:
<https://www.efginternational.com/ch/asset-management/responsible-investing>

d) Investment strategy

The Sub-Fund will focus on the best investment opportunities from the global universe of equity linked securities. The Sub-Investment Managers take an approach that is based on fundamental and discretionary management of the asset allocation of the Fund and on a selection of investments in accordance with the investment policy.

The investment process comprises a bottom-up review of the investable universe so as to limit the risks, assess the opportunity for upside potential to be greater than the downside risk, review the valuation of underlying equities and assess potential growth opportunities in the value of such securities; and finally consolidate the individual data and construction of the portfolio.

A top-down review will lead to adjustments so that the portfolio is in accordance with the Sub-Investment Managers' expectations. This review will address regional and sectorial exposures for investment weights as well as equity sensitivities and ESG promotional aspects. It will also ensure that consolidated positions offer the desired risk reward profile.

The Sub-Investment Managers consider principal adverse (“**PAI**”) indicators together with additional data which allow them to gain a more holistic picture of sustainability risk and to better understand the real negative impact of investments. The following families of PAI indicators considered by the Sub-Investment Managers are mostly relevant:

- Greenhouse gas emissions, waste and water.
- Social and employee matters with particular reference to:
 - violations of UN Global Compact principles.
 - violation of Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
 - exposure to controversial weapons (including but not limited to anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

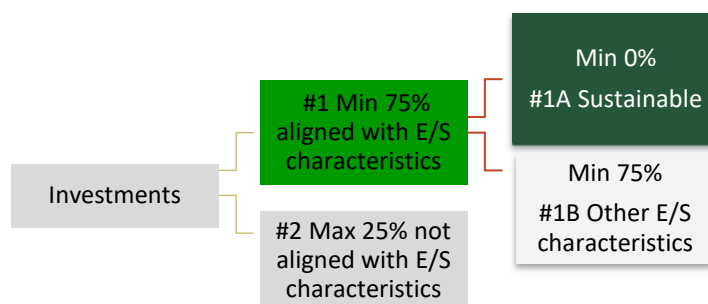
Description of the policy to assess good governance practices of the investee companies

To be sure the investee companies follow good governance practices, with respect to management structures, employee relations, remuneration of staff and tax compliance, the Sub-Investment Managers avoid investing in companies without good governance practices. The Sub-Investment Managers apply an approach focusing both on the soundness of the corporate governance structure as measured by the Corporate Governance GRIP KPI and on the outcome of the lack of governance i.e. litigation and controversies.

Because of the approach, the Sub-Investment Managers do not invest in companies with a Corporate Governance KPI score below 25% when the level of controversies with respect to employees, tax compliance, bribery and corruption is judged to be very high

e) Proportion of investments

Please find below a Table explaining the asset allocation to the Fund:



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Min. 75% aligned with E/S characteristics

The Fund invests at least 75% of its assets in companies promoting environmental or social characteristics as per above. Such investments might include collective investment schemes which are consistent with the promotional characteristics of the fund. The Fund does not commit to make any sustainable investments.

Max 25% not aligned with E/S characteristics

A maximum of 25% of the Fund's assets can be invested in the "others" bucket that is used for financial or risk purposes such as improve diversification, reduce tracking error, or pursue specific financial opportunities. Such investments include derivatives and collective investment schemes which are not used to attain the E&S characteristics promoted by the Fund. Minimum E&S safeguards continue to apply in the selection of these investments as detailed further below.

The minimum proportion of the Fund's investments that contribute to environmentally sustainable economic activities for the purposes of the EU Taxonomy will be **0%**.

f) Monitoring of environmental or social characteristics

The E&S characteristics of the Fund are monitored with two different approaches.

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Fund are codified in the internal Investment Management System, meaning that companies in breach of the below rules are blocked for trading

- Companies exposed to controversial weapons as per the Swiss Association for Responsible Investments (SVVK-ASIR) list (<https://www.svvk-asir.ch/en/exclusion-list/>).
- Companies whose ESG rating calculated with the internal GRIP methodology is below 25%.
- Companies with more than 30% of revenues linked to coal and no plan to reduce it or mitigation efforts in place.
- Companies violating the main "Standards" described above.
- Companies involved in activities such as gambling or tobacco, when such activity is greater than 5% of a company's revenue or in companies where the exposure to oil amounts to more than 30% of company's revenue and is judged to be inconsistent with the targets set out in the Paris Agreement of December 2015.
- Companies not respecting minimum governance practices.

Additionally, quarterly, to be sure that the portfolio respects the previously defined rules and no change occurred with respect to securities already invested, the following controls are implemented:

- Monitoring of investments in companies exposed to controversial weapons as per the SVVK-ASIR list. (<https://www.svvk-asir.ch/en/exclusion-list/>).
- Monitoring of investments in companies whose ESG rating calculated with the internal GRIP methodology is below 25%.
- Monitoring of investments in companies with more than 30% of revenues linked to coal and no plan to reduce it or mitigation efforts in place.
- Monitoring of investments in companies violating the main "Standards" described above.
- Monitoring of investments in companies involved in activities such as gambling or tobacco (when such activity is greater than 5% of a company's revenue) or where the exposure to oil amounts to more than 30% of company's revenue and is judged to be inconsistent with the targets set out in the Paris Agreement of December 2015.
- Assessment of percentage of securities promoting E&S characteristics.

All companies considered to be in breach of the Standards are removed from the portfolio and blocked for investment. In exceptional cases the Sub-Investment Managers might request an override of the third-party source assessment, with a formal decision taken by the internal ESG

Committee of the Sub- Investment Managers if satisfied with the rationale for overriding such an assessment.

In case a company is found to be in breach of one of the other binding requirements, the Fund will evaluate the feasibility of an engagement to solve the issue or divest which will occur within 3 months of the discovery of the breach.

The monitoring of and compliance with the rules is defined with the help of data from Refinitiv, Sustainalytics, RepRisk, Urgewald, SVVK and GRIP or other internal frameworks.

g) Methodologies for environmental or social characteristics

With respect to the promotion of environment and social characteristics, the Fund measures the attainment of such characteristics by calculating the percentage of investments that are promoting at least one of the SDG as demonstrated by their activities, measurable data such as healthcare related revenues or percentage of renewable energy produced or consumed, or by internal processes. e.g. by measuring the SDG scores of the proprietary ESG assessment tool, GRIP.

As examples, SDG characteristics are attributed by measuring healthcare or pharmaceutical related revenues, by measuring the percentage of renewable energy production/consumption on total energy produced/consumed by the underlying company or by the GRIP that allows the Sub-Investment Managers to compare companies' promotional characteristics by creating synthetic scores covering policies, data, activities and controversies and selecting the firms that obtain higher than average ratings with respect to one or more specific SDG.

The GRIP allows the Sub-Investment Managers to assign an ESG rating to investee companies on a 0% to 100% scale whereby the companies that perform poorly receive a lower ESG rating. For each company assessed by the GRIP, there are multiple data points that are collected on aspects such as biodiversity, energy performance, greenhouse gas emissions, human rights, social and employee matters, anti-corruption and anti-bribery, water, waste, supply chain management, etc. that allow the Sub-Investment Managers to measure and monitor the performance of investee companies with respect to the E&S characteristics promoted.

All the data points are divided across different key performance indicators ("KPIs") that are selected and weighted according to the financial materiality for different industries.

As an example, CO₂ emissions are not material to insurance companies as their activities are not greenhouse gas intensive, however gender parity is more material and therefore would be more heavily weighted in determining the ESG rating of that insurance company. On the other side of the spectrum, greenhouse gases are more material for steel companies or utilities and as such are more heavily weighted in their ESG rating assessment. ESG scores calculated through the GRIP therefore incorporate the more important ESG aspects for the relevant industry groups. The same KPIs are also used to determine the SDG promotional scores of companies, where companies with a specific SDG score that is above the average of that specific SDG, are promoting the defined SDG.

The data used by the GRIP is currently sourced from Refinitiv, RepRisk, Sustainalytics, CDP and internal analysis. When needed this approach can be complemented by a more qualitative assessment.

h) Data sources and processing

As highlighted above in g) methodologies, the Fund uses the internal GRIP ESG system that collects data from different external providers such as Refinitiv, Sustainalytics, CDP, RepRisk, and internal analysis. On the basis of GRIP, SDG characteristics are attributed by assessing the GRIP scores that allow the Sub-Investment Managers to compare companies' promotional characteristics by creating synthetic scores covering policies, data, activities and controversies and selecting the firms that obtain higher than average ratings with respect to one or more specific SDG. When needed this approach might be complemented by additional qualitative or quantitative assessments.

With reference to SDG3 and SDG 7, the promotional characteristics are used by measuring healthcare or pharmaceutical related revenues or by measuring the percentage of renewable energy production/consumption on total energy produced/consumed by the underlying company on the basis of data reported by Sustainalytics.

The GRIP is a mainly a quantitative system that processes millions of datapoints and as such is difficult to control the quality of single data. To reduce risk in this respect, the Sub-Investment Managers use 3 high quality main data providers such as Refinitiv, Sustainalytics and RepRisk and aims to triangulate the data to obtain a better representation of the reality. When needed or suspicions arise on the quality of the outcome, the ESG team perform some additional ad hoc assessments to control the datapoints and, if errors are found, it alerts the responsible data provider.

Data is estimated only with reference to CO₂ emissions for companies where the data is unavailable. This is calculated on the basis of the company's industry and region. Across the full GRIP approach, the percentage of estimated data is estimated to be below 1%.

i) Limitation to methodologies and data

The Fund's sustainability risk may differ from the sustainability risk of its benchmark, the Refinitiv Convertible Global Focus (USD Hedged) Index. In terms of methodology, the GRIP approach is just one framework that can be used to illustrate positive outcomes; there are others that may yield different results. The approach uses public data and research from EFG and external providers. The definition of controversies and breach of Standards such as UNGC, ILO and others are also quite subjective and it is difficult to setup clear thresholds. To reduce the subjectivity of the approach, EFG uses lists provided by a well-known ESG data/research provider i.e. Sustainalytics. When Sustainalytics data is not available, a quantitative approach is used to highlight which companies might be in breach or where the level of controversies is too high to consider the investment as

promoting environmental or social characteristics or as sustainable. However, it might happen that such thresholds can be considered too aggressive or respectively too loose by different investors.

Additionally, even if EFG controls data when possible and triangulates with different providers, the quality of ESG data is still not perfect and it might happen that some judgements are influenced by sub-optimal data or information. However, to limit the risk that such limitation might influence the environmental or social characteristics promoted by the Fund, a control has been set up based on controversies. Companies that are exposed to significant controversies in one of the SDG are not considered promoting the specific SDG, irrespective of any other consideration.

j) Due diligence

The Fund aims to have ESG ratings and monitor controversies for all investee companies. Additionally, the E&S characteristics are attributed only when companies are assessed by the GRIP or other qualitative or quantitative processes, by exploiting data from different providers and assessing for controversies and litigation, allowing a reasonable picture of the main ESG characteristics of the underlying assets to be obtained. More details can be found in the “*Approach to ESG Promotion and Sustainable Investing*” document published on the following page:

<https://www.efginternational.com/ch/asset-management/responsible-investing>.

As highlighted above the investments are screened quarterly to check the requirements are respected and breaches are addressed and reported to the appropriate internal Risk Committee.

k) Engagement policies

The Sub-Investment Managers operate active voting and engagement policies that reflect the Fund’s environmental, social and governance themes. Investee companies might be engaged with to promote a better management of E&S topics in the promotional characteristics defined above. In line with EFG’s published engagement policy, the companies to engage with are prioritised using the inputs received from the proprietary ESG scoring system, GRIP.

The engagement process usually starts with the identification of an ESG weakness in the company, triangulating information from multiple data points and other sources such as external research or press articles. As a second step, the company’s representatives are approached and concerns shared with them in writing. Based on experience so far, most of the companies have shown responsiveness and willingness to strengthen their sustainability attitude. This is even more true when the requests come jointly from an investors’ coalition.

For additional details, please refer to the Engagement Report on EFGAM's website, at the following link: https://www.efginternational.com/doc/jcr:37365530-8599-4ac8-99dd-05de11226746/EFG_ESG%20Engagement%20Report%202021.pdf/lang:en/EFG_ESG%20Engagement%20Report%202021.pdf

l) Designated reference benchmark

The investment performance of the Fund will be measured against the Refinitiv Convertible Global Focus (USD Hedged) Index (the “**Index**”). The Index is not aligned with all the environmental or social characteristics promoted by the Fund and therefore is not used as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.