



(a) Summary

This document provides detailed sustainability related disclosures regarding Westbeck Capital Management LLP's ("Westbeck Capital" or the "Investment Manager") management of Westbeck Energy Transition UCITS Fund ("the "Fund") which is categorised as Article 8 under the Sustainable Finance Disclosure Regulation ("SFDR").

(b) No sustainable investment objective

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

(c) Principal adverse impacts

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters. Westbeck Capital does not consider principal adverse impacts on sustainability factors.

(d) Environmental or social characteristics of the financial product

The Fund does not have as its objective a sustainable investment. The Fund promotes environmental and social characteristics within the scope of Article 8 of SFDR aiming at identifying those companies and/or issuers with the best practices and standards in terms of ESG characteristics for inclusion in the Fund's portfolio. As climate concern and air pollution challenges are at the heart of the energy transition, the Investment Manager applies a rigorous internal ESG process on all investments and ESG criteria are at the core of its investment process. Such characteristics cover a variety of environmental, social and governance factors including (but not limited to) the following:

- Environmental
 - Emissions
 - Energy management - focussing on companies with a minimum of 25% of their revenue derived from the energy transition within the next 5 years
 - Waste production and ecological impact
 - Biodiversity - focussing on companies which employ best practice to avoid damage to water systems in operating and development projects
 - Waste/tailings - focussing on companies making sure that they dispose of waste/tailings in a sustainable manner
- Social
 - Respect for human rights
 - Data security and privacy
 - Labour practices including remuneration
 - Employee health and safety
 - Diversity and inclusion
 - Community



(e) Investment strategy and due diligence

The Fund seeks out securities that are significantly mispriced on earnings per share, cash flow and/or private market value basis. The Fund seeks to quantify the present value of businesses based on fundamental indicators such as the net present value of cash flows. The Fund looks for companies on both the long and short side which are temporarily mispriced by the markets.

The ESG selection process of stocks consists of an identification and assessment of the risks relating to each issuer through an in-depth analysis of raw ESG data combined with an ESG risk assessment made by the Investment Manager on each single issuer. This qualitative analysis performed by the Investment Manager relies on ESG data collected from company news, interviews, and the Investment Manager's own internal research and collection of information.

Alongside reviewing third-party ESG rating providers (such as MSCI ratings, Sustainalytics and Bloomberg ESG Disclosure), the Investment Manager has developed its own ESG scorecard and ranks potential investments for ESG according to factors that are most applicable to the industries in which the companies within the Fund's investment universe operate.

The Investment Manager reviews sustainability indicators which include GHG emissions, carbon footprint, GHG intensity, hazardous waste, sites in sensitive areas, gender pay gap and Board diversity, biodiversity policy and human rights policy.

The above screenings and analysis lead to an internal ESG rating targeting specific companies and providers that require capital to ensure a transition into a cleaner energy future. The Investment Manager believes the energy transition is a significant market shift in key energy generation technology and that the strategy will contribute to expected returns and promote environmental characteristics.

(f) Proportion of investments

The Fund promotes environmental and social characteristics but does not commit to make any sustainable investments.

The Fund's investment portfolio is expected to be 50% aligned with E/S characteristics, primarily the energy transition as discussed herein. Up to 10% of the Fund's assets may be held in cash or cash equivalents for the purpose of liquidity or risk management. The remaining assets of the Fund are to be used for obtaining short exposure or for the purpose of liquidity management. All of the Fund's invested portfolio is subject to the criteria set out in the investment strategy on a binding and continuous basis.

The Fund does not intend to have a minimum commitment to investing in sustainable assets or in assets which are aligned with the EU Taxonomy Regulation.

(g) Monitoring of environmental or social characteristics

Several sustainability indicators are integrated into the quantitative investment process for stock selection to measure the attainment of the environmental and social characteristics identified above. The Investment Manager primarily reviews (i) third party ESG rating providers (such as MSCI ratings, Sustainalytics and Bloomberg ESG Disclosure); and (ii) where available, company annual reports. The Investment Manager may also conduct interviews with company management to supplement primary research carried out based on publicly available data. Using such data, the Investment Manager:



1. shall analyse GHG emissions, carbon footprint, GHG intensity in the energy & climate rating. The Investment Manager analyses: GHG emissions as a percentage of revenue; power consumption; and percentage of clean energy utilised with a view to investing in best in class in these areas of focus.
2. shall examine companies based on hazardous waste, biodiversity and sites in ecologically sensitive areas, including how waste/tailings are disposed of. The Investment Manager will review a company's water use, hazardous waste generation as well as hazardous waste recycling and environmental planning (often a subjective assessment based on feasibility studies for development projects and disclosed data for production companies) together with any environmental fines which may have issued to the company. In addition to company reports and Bloomberg estimates, the Investment Manager obtains such data through direct contact with companies and through public disclosures. Furthermore, the Investment Manager may conduct map and satellite imagery searches which may indicate if a company is irresponsible in disposing of hazardous waste.
3. will identify companies that maintain good relations with their employees/labour force; companies whose employees strike or sue are examples of companies that rate badly on this metric. The Investment Manager looks at areas such as: the diversity and inclusion of the workforce by gender, native vs expat and the percentage of the gender pay gap. The Investment Manager will also review these sources for the number of strike days experienced by the company. Finally, the Investment Manager looks to ensure a company and its suppliers adhere to United Nations Guiding Principles on Business and Human Rights ("UNGPHR") and applicable EU modern slavery legislation.
4. considers data security and privacy by reviewing publicly available data through company reporting and any cases of regulations being breached.
5. analyses the extent companies focus on safety management and have a positive or improving health and/or safety record. In this regard the Investment Manager will review a company's health and safety records, for example looking at Mine Safety and Health Administration ("MSHA") reports and responsible safety targets. The Investment Manager's investment team will consider data including the number of fatalities, lost time injuries (LTI), United Nations Global Conduct ("UNGC") violations, fines and legal actions as well as near miss reports and safety training policy – all available via public company reports.
6. to the extent information is available, identify how companies support the communities they operate within, via financial support, educational projects or otherwise. The Investment Manager reviews community agreements (including Native Title, First Nations, Traditional and Indigenous agreements) generally available through company reports. The Investment Manager seeks, where possible, companies adhering to the International Finance Corporation's ("IFC") Performance Standard 7 on indigenous people. The Investment Manager also reviews Social Impact Assessment requirements to ensure adherence to RMS. The Investment Manager considers consultation and engagement activities, all generally available via company reports and other local sources. Consideration is given to the number of complaints and other grievances towards management. Finally in this regard, the Investment Manager will look for adherence to the UNGPBHR and EU modern slavery legislation.

In addition, the Investment Manager has developed its own ESG scorecard and ranks potential investments for ESG according to factors that are most applicable to the industries which the companies within the Fund's investment universe operate in. Where available, the Investment Manager reviews ratings (sourced from company reports, S&P Global ESG Rankings, Sustainalytics Rankings and Bloomberg ESG Disclosures) which may include GHG Emissions, carbon footprint, GHG intensity, hazardous waste, sites in sensitive areas,



gender pay gap and board diversity, biodiversity policy and human rights policy. A sample of the Investment Manager's proprietary score card is set out below:

3=Good; 2=Average; 1=Poor, 0=Non-existent

Environment	Energy & climate	3
	Biodiversity, water	3
	Waste/tailings	3
	Closure/legacy	3
Social	Labour & employee relations	3
	Safety & health	3
	Community	2
	Suppliers	2
	Country	3
Governance	Executive pay	2
	Board diversity/structure/indep.	1.5
	Tax strategy	2
	Disclosure	2
	Momentum	3
Total		35.5

Max=42; Min=0; Passing score>=28

(h) Methodologies

Westbeck utilises a variety of tools to assess, measure and monitor the impact of the environmental and social characteristics for potential investments for Article 8 funds. Please refer to our Westbeck Sustainability Policy which can be found [here](#).

(i) Data sources and processing

• Data sources

The Investment Manager receives live data, including market data such as stock prices and some metals, primarily from Bloomberg. It also relies on several industry consultants for pricing on non-LME metals. For metals price forecasts, the Investment Manager builds its own supply and demand models and derives its own price decks. It compares these forecasts to projections by consultants and the sell-side. For company modelling and valuation, it either builds its own company models or relies on sell-side models, adding its own assumptions.

Furthermore, after decades of working with many various outside independent research houses and consultants, the Investment Manager subscribes to those it finds give the best consistent analysis in their field. It uses Medley for geopolitical, macro, and economic analysis, Commodity Intelligence for a global commodity overview, Benchmark Minerals for specific battery material market intelligence, CRU for metal market reports, and LatinNews for political and economic analysis of Latin America.

The Investment Manager also subscribes to Bridgeton Analytics, a CTA-specialist forecasting Buy/Sell signals for various commodities by trend-following CTAs. It also receives the sell-side research from all the relevant large investment banks and uses Bloomberg to produce daily VaR reports.



- **Data processing**

Portfolio allocation depends on the outlook for the five sub sectors the Investment Manager has identified within the value chain. This allocation is adjusted for underlying opportunities and liquidity.

The overall risk allocation is decided by taking global macro conditions into account, such as economic growth indicators, currency and bond market movements. Technical analysis contributes to an overall house view of the underlying risk.

Having decided the appropriate risk level, the allocation within the battery value chain is determined by a process that involves forecasting of battery demand, the Investment Manager's understanding of technological developments and trends and its own industry channel checking. Individual metal supply/demand modelling contributes to raw material allocation.

Sub sector allocation leads to specific stock allocation which is determined by the Investment Manager's internal research. This looks at the valuations of individual companies, financial strength and requirements. Assessment of company management competence is determined by company meetings and site visits, along with the Investment Manager's team's experience over many years.

The Investment Manager utilises an internal ESG protocol, alongside five external ratings in order to determine that companies we are reviewing have practices that are sufficiently robust. Companies that fail on ESG can be shorted.

(j) Limitations to methodologies and data

Data obtained from third-party providers or issuers may be incomplete, inaccurate, or unavailable and as long experience has taught the Investment Manager to treat sell-side research with caution, driven as it is by investment banking revenues. It is not ignored, and the Investment Manager has good relationships with a global network of sell-side analysts built up over many years, but its own fundamental research internally is at the core of Westbeck.

The Investment Manager update our supply/demand models for metals, batteries and EVs on a regular basis to provide the overlay of price forecasts. Inputs to these models come from industry sources, consultants, trade data, CFTC positioning and inventory data as well as the Investment Manager's own network of industry contacts.

Company analysis is done on a sectoral basis and involves modelling the Investment Manager's own price projections to produce relative valuation models.

(k) Engagement policies

Please refer to our Shareholders Rights Directive II statement which can be found [here](#).

(l) Designated Reference Benchmark

No specific index is designated as a reference benchmark to determine if the Fund is aligned with the environmental and social characteristics that it promotes within the meaning of Article 8 of SFDR.