

# ISAM Funds (UK) Limited (“ISAM”)

## ISAM ESG Policy Disclosure Statement

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### Introduction

Environmental Social & Governance (“ESG”) considerations and sustainable investing have developed considerably over the years and continue to grow in demand, with increasingly greater importance for governments, consumers, corporations and financial institutions. ISAM as an international organisation is exploring opportunities to implement ESG considerations and integrate sustainability risks in our commercial and investment decision-making processes. Following recent developments in ESG regulation, in particular the European Union (“EU”) Taxonomy Regulation (“Taxonomy”) and Sustainable Finance Disclosure Regulation (“SFDR”), this ISAM ESG Policy Disclosure Statement provides a summary of how sustainability risks and sustainability factors are applicable to ISAM from an entity and product perspective.

### ESG Regulation

The Taxonomy and SFDR regulation prioritise ESG concerns for financial services as it provides harmonised rules for financial market participants and financial advisers on transparency disclosure requirements in respect of ESG. ISAM is indirectly captured under the ESG regulatory requirements as a financial market participant and financial adviser as a full-scope UK non-EU alternative investment fund manager (“AIFM”) that manages and markets its financial products, the non-EU alternative investment funds (“AIF”), which are marketed in the EU pursuant to the national private placement regimes under Article 42 of the Alternative Investment Fund Managers Directive (“AIFMD”). ISAM currently does not promote financial products that are subject to Article 8 or Article 9 of the SFDR.

### ISAM AND ESG

We strongly believe ESG is closely aligned with the concept of “responsible investment” and how business and investments are managed. Our ESG Policy explains our current rationale and approach to responsible investing from a corporate perspective, and we are currently in the process of evaluating opportunities to implement enhanced ESG considerations.

### Due Diligence and Investment Approach

ISAM currently does not consider principal adverse impacts on sustainability factors and sustainability risks as part of our due diligence processes and investment decisions. This is fundamentally due to the nature of our bespoke and diversified strategies, taking account of our size, the nature and scale of our activities and the types of financial products we have made available.

**ISAM Vector** investment strategy is a specialist quantitative strategy trading a diverse set of global financial and commodity markets in a highly disciplined and systematic framework. The program captures profits from persistent movements in prices on time frames ranging from intraday to several months, with a continual focus on diversification and dynamic risk balancing. ISAM Vector strategy does not trade securities of individual issuers or derivatives based on individual issuers.

**ISAM Systematic Equities** investment strategy is a pure quantitative strategy applied across liquid equities. The strategy uses a number of multiple statistical methodologies applied on several different datasets and publicly available information on individual companies. The strategy is under development and ISAM is currently investigating opportunities for incorporating ESG factors in its methodology.

ISAM will continually assess ESG factors against our fiduciary responsibility to investors and clients in accordance with ESG regulations, analysing and prioritising ESG considerations which are identified as material as we grow the business.

### **Remuneration Policy**

ISAM's remuneration policy is consistent with Article 5 of the SFDR through its application of existing relevant regulatory provisions on remuneration; ensuring remuneration practices do not encourage excessive risk-taking with respect to sustainability risks; is linked to risk-adjusted performance to encourage and achieve more transparency; and promotes sound and effective risk management to create a sustainable and responsible remuneration strategy.

Further information on ISAM's ESG Policy can be obtained by contacting ISAM's Client Relations team at: [client.relations@isam.com](mailto:client.relations@isam.com)