Man Asset Management (Cayman) Limited Sustainability Risk Policy

August 2024 (version 3)

This document sets out the Sustainability Risk Policy (the "**Policy**") of Man Asset Management (Cayman) Limited ("**CMC**"), in respect of the integration of sustainability risk in the investment decision-making process in respect of the Products (as defined below).

Introduction

The EU Sustainable Finance Disclosure Regulation ((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**")'') requires CMC to publish on its website information about its policies on the integration of sustainability risks in the investment decision-making process in respect of the Products (as defined below). Furthermore, the Commission Delegated Regulation (EU) 2021/1255, (the "**AIFMD Amending Regulation**") issued by the European Commission on 21 April 2021, amend the AIFMD law to provide that sustainability risks and sustainability factors should be taken into account as part of the implementation of the investment decision making process for AIFs.

"Sustainability risk" is defined in the SFDR as meaning an environmental, social or governance event that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

CMC, in the course of its activities, delegates day-to-day portfolio management activities to GLG Partners LP, GLG LLC, AHL Partners LP, Man Solutions Limited, and Man Global Private Markets (UK) Limited (together the "**Investment Managers**"). This document sets out CMC and the Investment Managers' approach in respect of the integration of sustainability risks in the investment decision-making process, as required by Article 3 SFDR. Where an Investment Manager integrates sustainability risk in their investment decisions, this Policy applies to all investment professionals of such Investment Manager, and applies in respect of all portfolio management services, investment advisory services, AIF management and UCITS management, in each case in relation to a product subject to Article 6, Article 8 or Article 9 of SFDR (together the "**Products**"), whether such service is carried on by CMC directly or through delegation via the Investment Managers.

This Policy was initially adopted on 31 January 2022 and most recently updated as of the date set out above.

Purpose of this Policy

CMC takes a diversified approach to the integration of sustainability risk across the Investment Managers, recognising the importance of having due regard to sustainability risk across asset classes and strategies where relevant. The Investment Managers' diversified range of alternative and long-only strategies seek to apply the best practices of sustainability risk integration in the way that is most relevant to their fields of research - there is no 'one size fits all'.

The purpose of this Policy is to outline CMC's recognition, commitment and support for the development and integration of sustainability risk and of responsible investment modalities across the Investment Managers. The diversified nature of CMC's multi-strategy businesses means that no single 'Environmental, Social and Governance (**'ESG'**) framework', and in particular this Policy, is universally applied. Accordingly, CMC expects the Investment Managers to apply the norms and best practices in having sustainability risk in a way that is most appropriate for their strategies and asset classes.

For CMC these norms and best practices include:

- **Sustainability risk:** integrating the consideration of sustainability risks into the investment decision-making processes of the Investment Managers where appropriate;
- **Stewardship:** enhancing the value and interests of CMC clients' assets through voting and active engagement;
- **ESG factors:** considering and/or applying ESG criteria in the investment decision-making process;
- **Education & activities:** participating and educating in relation to investment within the investment community.

It is recognised that in some cases, the evaluation of sustainability risks is conducted at the time of the formulation and approval of the overall investment strategy of the relevant Product. As a result of such evaluation, the relevant Investment Manager may deem sustainability risks not to be relevant to the returns of the relevant Product it manages or to require the separate assessment of the sustainability risks attaching to individual investment positions. The table in section 3.5 of this Policy sets out the manner in which each Investment Manager evaluates sustainability risks and, where relevant, integrates such assessment into its investment process.

For the purposes of SFDR, the regime around sustainability risks is concerned with the risk that ESG events could impact on the value of the Products. In other words, this policy covers "value" rather than "values", and does not take into account the perspective harm that a Product's investment positions might do externally to sustainability factors. The impact of principal adverse impacts of investment decisions on sustainability factors as per article 7 of SFDR is covered Within the relevant Products' Offering documents[1].

Application of sustainability risks policy

CMC and the Investment Managers have reviewed the sustainability risks which are potentially likely to cause a material negative impact on the value of the Products, should those risks occur. While these risks will vary according to strategy and subgroup, they may include the following:

- **Environmental sustainability risks** may include climate change, carbon emissions, air pollution, water pollution, harm to biodiversity, deforestation, energy inefficiency, poor waste management practices, increased water scarcity, rising sea levels / coastal flooding, and wildfires / bushfires.
- **Social sustainability risks** may include human rights violations, human trafficking, modern slavery / forced labour, breaches of employee rights / labour rights, child labour, discrimination, restrictions on or abuse of the rights of consumers, restricted access to clean water, to a reliable food supply, and/or to a sanitary living environment, and infringements of rights of local communities / indigenous populations.
- **Governance sustainability risks** may include lack of diversity at board or governing body level, inadequate external or internal audit, infringement or curtailment of rights of (minority) shareholders, bribery and corruption, lack of scrutiny of executive pay, poor safeguards on personal data / IT security (of employees and/or customers), discriminatory employment practices, health and safety concerns for the workforce, poor sustainability practices in the supply chain, workplace harassment, discrimination and bullying, restrictions on rights of collective bargaining or trade unions, inadequate protection for whistleblowers, and non-compliance with minimum wage or (where appropriate) living wage requirements.

In evaluating sustainability risk, the Investment Managers may take account of the "physical" or tangible risks of a sustainability event (for example, the impact of severe climate events leading to business disruption or losses for its investment positions). In addition, the Investment Managers may also take account of the "transition" risk, which focuses on the risk to investments as the world moves towards a more sustainable environmental and social model. The above approach utilised the 'BlackRock Climate Model' in producing entity and Product level metrics. Finally, the Investment Managers may, where appropriate, view sustainability risk as cross-cutting into other categories of risk (such as litigation risk or reputational risk).

The Investment Managers' approach to sustainability risk management is differentiated by various factors including (amongst other things) the time horizon for investments (for example, longer term investments driven by fundamental analysis versus shorter term investments driven by systematic trading programmes); asset class (noting that single name equity, single name fixed income and real estate investments may potentially be more exposed to sustainability risks than other asset classes such as FX, rates or derivatives on broad based equity or fixed income indices); and the availability of adequate reliable data.

While the Investment Managers that integrate sustainability risks in their individual investment decisions are provided with information on sustainability risks, and shall take sustainability risks into account when making an investment decision, sustainability risk would not by itself prevent them from making any investment. Instead, sustainability risk forms part of the overall risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of overall risk. However, as a matter of baseline processes, CMC and such Investment Managers do not apply any absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a

1. For the purposes of Article 4(1)(b) of SFDR, CMC publishes a statement on www.man.com that it does not consider PAI (principal adverse impacts) investment decisions on sustainability factors.

separate category of risk outside of those specified in the relevant Product's governing documents. Regular portfolio strategy reviews occur and may include reference to, where appropriate, of the Product's exposure to material ESG risks, as well as exposure to sustainability-related business involvements, climate-related metrics, and other factors.

As such and as per the below table, sustainability risks are currently integrated into the investment strategy and investment decisions of GLG Partners LP and GLG LLC (together 'Man GLG'), Man Global Private Markets (UK) Limited ('Man GPM'), AHL Partners LLP ('Man AHL') and Man Solutions Limited ('MSL') in the manner and to the extent set out below. None of these entities are in scope for SFDR and as such they do not have a specific Sustainability Risk Policy. However, the considerations below are reflected in the market risk policies of the relevant Investment Manager. Each Investment Manager has confirmed to CMC its intention to invest in accordance with the sustainability risk considerations below and to notify CMC in advance in the event that it was to update or amend its approach.

Investment Manager	Approach to the Integration of Sustainability Risks
Man GLG	As a discretionary investment manager with a diverse product offering, Man GLG methods and approaches to sustainability risk integration vary between strategies and Man GLG focuses on empowering individual investment teams to incorporate sustainability risks in a way that is relevant and effective to them. To ensure that investment teams have the resources to analyse a company from a sustainability risk perspective, Man GLG subscribes to a number of leading ESG data providers. Man GLG utilises a wide array of metrics, such as carbon footprint, social supply chain incidents and controversy scores to facilitate the monitoring and reporting of sustainability risks and exposures in real time. This allows investment teams to understand the sustainability risks faced by their investments and to embed this into their investment decision-making process. In evaluating sustainability risk, an investment team may take into account the “physical” or ‘’tangible’’ risks of a sustainability event (for example, the impact of severe climate events leading to business disruption or losses for its investment positions) and/or the “transition” risk, which focuses on the risk to investments as the world moves towards a more sustainable environmental and social model. In some cases, this sustainability risk may cross-cut into other categories of risk (such as litigation risk or reputational risk). Sustainability risk forms part of the overall risk management process and is one of many aspects which may, depending on the specific investment opportunity, be relevant to a determination of risk. While Man GLG’s investment professionals shall take sustainability risks into account when making an investment decision, sustainability risk may not by itself prevent Man GLG from making any investment. Man GLG considers sustainability risks are relevant to the returns of the relevant Products.
MSL	MSL allocates to a diverse range of investment strategies across its product range. Sustainability risk is considered relevant for some Products and not others depending on the nature of the underlying investment strategies to which it allocates. For those Products where sustainability risk is considered relevant, MSL’s methods and approach to sustainability risk integration will be disclosed in the relevant Product offering documents. To ensure that investment teams have the resources to analyse a company from a sustainability risk perspective, MSL subscribes to a number of leading ESG data providers. MSL utilises a wide array of metrics, such as carbon footprint, social supply chain incidents and controversy scores to facilitate the monitoring and reporting of sustainability risks and exposures in real time. This allows investment teams to understand the sustainability risks faced by their investments and to embed this into their investment decision-making process. In evaluating sustainability risk, an investment team may take into account the “physical” or “tangible” risks of a sustainability event (for example, the impact of severe climate events leading to business disruption or losses for its investment positions) and/or the “transition” risk, which focuses on the risk to investments as the world moves towards a more sustainable environmental and social model. In some cases, this sustainability risk may cross-cut into other categories of risk (such as litigation risk or reputational risk). Sustainability risk forms part of the overall risk management process and is one of many aspects which may, depending on the specific investment opportunity, be relevant to a determination of risk. While MSL’s investment professionals shall take sustainability risks into account when making an investment decision, sustainability risk may not by itself prevent MSL from making any investment.

Investment Manager	Approach to the Integration of Sustainability Risks
Man AHL	Man AHL does not typically consider sustainability risks to be relevant to the returns of the Products it manages because it is generally expected that such Products will: (a) trade a diversified portfolio of financial instruments; (b) not have significant exposure to any particular underlying issuers; and/or (c) not hold any particular underlying positions for an extended period of time. As such, Man AHL does not specifically integrate sustainability risks into investment decisions in respect of the Products. However, sustainability risk is considered relevant for some Products depending on the nature of the underlying investment strategies. For those relevant Products where sustainability risk is considered relevant, Man AHL's methods and approach to sustainability risk integration will be disclosed in the relevant Product offering documents.
Man GPM	As a discretionary investment manager with a varied product offering, Man GPM's approach to sustainability risk integration varies between strategies. Man GPM seeks to empower individual investment teams to incorporate sustainability risks in a manner and to the extent that is relevant and effective to such teams, the underlying asset classes of the relevant Product and the investment restrictions pursuant to which they invest. Integration of sustainability risk is a particular focus for Man GPM in respect of certain categories of direct real estate investment, including where social and environmental factors are deemed relevant in determining the value of an investment, its long-term returns potential, and/or the social impact of the real estate that is brought to market (such as social and affordable residential housing). Factors that will be considered in such sustainability risk analysis include housing quality standards as they relate to social and employee matters, financial sustainability as it relates to the affordability of housing, additionality as it relates to the provision of housing as an essential social good, environment-related indicators and anti-bribery and anti-corruption matters as they relate to transactional counterparties and the impact that such factors may have on the value of the investment. Sustainability risk may also be factored into the investment and risk management process through an assessment of the potential impact on value of a sustainability event. For example, in evaluating sustainability risk in relation to a direct investment in physical real estate, the investment teams may take into account the risk of extreme-weather events linked to climate change. Such events (for example flooding), or the likelihood of such events, may impact marketability of assets, may lead to damage of properties, disruption to supply chains or other business operations, resulting in loss of operating income, which would in turn negatively impact investment returns and the value of underlying assets if not managed appropriately.

Governance and senior management responsibility

CMC's board of Directors (the "**Board**") are ultimately responsible for CMC's policies and procedures in respect of sustainability.

The **Board** has approved this Policy.

Monitoring

As a member of Man Group, CMC is supported by Man Group's Responsible Investment Committee ('**RIC**') and Man Group Responsible Investment Oversight Committee ('**RIOC**'). The **RIC** and **RIOC** (together '**the Commitees**') oversee and review the implementation of all the responsible investment policies and processes at Man Group Level, including this Policy and the integration of sustainability risk across the Investment Managers where applicable. The **Committees** are composed of senior representatives and ESG professionals from all of Man Group's underlying businesses, ensuring a broad perspective of responsible investment across asset classes and investment strategies. Through its team of investment professionals based in Cayman Islands, CMC oversees the committee(s) duties, as described above, who in turn oversee the Investment Managers to ensure compliance with this Policy.

Disclosure of this Policy

SFDR requires that CMC must publish on its website information about this Policy. CMC satisfies this requirement by disclosing this Policy on Man Group's website at http://www.man.com/responsible-investment and https://www.man.com/regulatory-disclosures.

Revision History

Version No.	Version Description	Responsible Party	Date	Reviewers
1	Initial policy to comply with SFDR	CMC	31 January 2022	Man
2	Updated policy to reflect AHL considering sustainability risks for some products	CMC	1 January 2024	Man
3	General Update	CMC	5 August 2024	Man

Important Information