GUARDCAP

Sustainable Finance Disclosure Regulation ("SFDR")
Disclosures under Article 8
2022

GuardCap UCITS Funds plc in respect of its Sub-Funds (the "Funds"):

GuardCap Emerging Markets Equity Fund
GuardCap Global Equity Fund

Each Fund may be regarded as "promoting, among other characteristics, environmental or social characteristics provided that the companies in which the investments are made follow good governance practices" within the meaning of Article 8 of SFDR. However, the Funds do not have a dedicated sustainable investment objective and their respective benchmarks were not chosen for the purpose of promoting environmental or social characteristics.

Environmental and Social Characteristics promoted by the Funds

The Funds promote environmental and social characteristics through: (i) investment in the highest quality companies around the world that are capable of generating long-term sustainable growth and have been assessed against the Investment Manager's ten investment criteria for quality and growth; ii) application of exclusions; iii) measurement of its portfolio against the United Nations Sustainable Development Goals ("SDGs"); iv) application of the six principles of the United Nations-supported Principles for Responsible Investing ("PRI").

The Investment Manager defines responsible investing as the integration of ESG considerations into the investment process and ownership practices and believes that a company will not fulfil its objective of long-term sustainable growth if it is involved in unsustainable ESG practices.

The Investment Manager conducts a comprehensive analysis of a company's business and growth potential to ensure that it incorporates the sustainability risks and opportunities relevant to each company and an analysis of a company's ESG issues forms a key part of every investment decision. This analysis is at the core of the Investment Manager's investment process, with a focus on whether and how these risks and opportunities will affect the long-term sustainability of the company's competitive positioning and capacity for growth.

The Investment Manager uses proprietary research and third-party data to analyse and identify ESG risks and opportunities throughout the investment processes.

The Investment Manager's investment approach steers away from the most environmentally damaging and controversial sectors such as energy, mining and commodity chemicals, because the companies in these sectors typically also fail a number of the Investment Manager's other quality and growth criteria, due to characteristics such as high cyclicality, low competitive differentiation, high capital requirements

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and regulation, among others.

Screening and Exclusions

To formalise its existing investment approach, the Investment Manager seeks to exclude direct investment in corporate issuers that are involved in the manufacture or production (subject to a specific revenue threshold*) of activities including but not limited to:

i) Controversial weapons (including but not limited to anti-personnel landmines, cluster munitions, biological weapons and chemical weapons);
ii) Firearms or small arms ammunition;
iii) The extraction of fossil fuels and/or the generation of power from them; and
iv) Tobacco products

*Specific revenue threshold applied is 5% based on a company's annual report.

The Investment Manager assesses the alignment (or conflict) of the investee companies with the SDGs. The Investment Manager believes that companies with products and/or services that conflict with the SDGs or trends towards social and environmental responsibility will not meet at least two of its key criteria – 1) industry secular growth tailwind – as they will likely face headwinds trying to grow against the prevailing developments, 2) and Foundations for Sustainable Growth.

Consideration of Principal Adverse Impacts

The Funds will consider the principal adverse impacts of investment decisions on sustainability factors as of 1 January 2022.

An assessment report detailing a full review of the indicators related to any adverse impacts on sustainability will be made available by 30 June 2023 and will cover the period from 1 January 2022-30 December 2022. The report will be made available from the Investment Manager upon request. This statement outlines the policies and methodologies that will be used to identify, prioritise and address such adverse impacts on sustainability. The Investment Manager is committed to considering and mitigating, where possible, the adverse impacts of its investments on sustainability factors. In support of this, the Investment Manager will ensure that it has access to a wide range of data, research and analysis regarding the principal adverse impacts.

As part of the research process, the Investment Manager makes an assessment of the principal adverse sustainability impacts caused by the companies in which it invests. The outcome of the assessments may impact the valuation models as well as portfolio construction depending on the materiality of the sustainability risks or adverse impacts identified.

The Investment Manager will consider data points on the principal adverse impacts from investee companies and data providers to help identify where the key impacts may be from an environmental and social perspective. The Investment Manager may face some challenges with regard to data availability, data quality and coverage. Where data is not available on a company or such data is deemed unreliable or inaccurate by the Investment Manager, a reasonable conclusion concerning the likely impacts of such investments will be made. The consideration of a company's principal adverse sustainability impacts may identify companies with which the Investment Manager may wish to engage through voting at an annual general meeting and/or to initiate dialogue with the company directly.

Active Ownership

The Investment Manager believes that active ownership practices are valuable in enabling good stewardship and engaging with management of companies at regular intervals is an important component of the investment process. This allows the Investment Manager to challenge companies on their strategy, performance and risk, capital structure, as well as their governance structure and social and environmental impacts. An assessment of an investee company's principal adverse impacts allows the Investment Manager to increase its understanding of the companies and to identify areas where engagement could have the most impact.

The Investment Manager may engage directly with the investee company or on occasion work with other investors to seek to agree a plan for mitigation or elimination of the principal adverse impact with the investee company. When prioritising its efforts to remediate adverse impacts through engagement, the Investment Manager will assess among other factors, the materiality of the issue and the likelihood of success of the engagement efforts.

The Investment Manager's engagement process includes provisions for escalation where an issue is sufficiently material and when the Investment Manager is unable to make progress. Engagements could be escalated through additional meetings with the company management and dialogue with members of the investee company's board. Where these engagements do not progress in the direction that the Investment Manager believes is in the interests of the Fund, other options are considered but not limited to:

- Voting against resolutions at shareholder meetings
- Collaborating with other investors
- Partial or full divestment

The Investment Manager votes proxies with the objective of maximising shareholder value as a long term investor, and ensures that reasonable care and diligence is undertaken to ensure the Investment Manager votes these proxies in the best interest of the Fund and in accordance with ESG policies and procedures.

Sustainability Risk

A sustainability risk is an environmental, social or governance event or condition that if it occurs, could cause an actual or potential material negative impact on the value of an investment. Sustainability risks can lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment of a Fund and thus may materially impact its market price or liquidity. The impact of sustainability risks on an investment may only emerge over the medium to long term and investment decisions may be made on that basis, with the result that other investments may prove more profitable in the shorter term. Further, sustainability risks may not be realised in the manner or to the extent anticipated by the Investment Manager with the result that investments may not perform as expected. To the extent that a sustainability risk occurs, or occurs in a manner that is not anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment and hence on the Net Asset Value of a Fund. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the Net Asset Value of a Fund.

The integration of sustainability risks in the investment decision process of the Funds may have the effect of excluding profitable investments from the investment universe of a Fund and may also cause a Fund to sell or refrain from purchasing investments that otherwise would have been expected to be profitable.

Assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. In addition, even when such data is identified and obtained, as with any data, there can be no guarantee that ESG data will be correctly assessed. Assessments may also not be conclusive in the investment process for a Fund and, where consistent with the investment policy of the relevant Fund, the Investment Manager may have the discretion to make investment decisions notwithstanding the potential for sustainability risks associated with the relevant investments. Equally, the assessment of sustainability risk is inevitably subjective to a degree and there can be no guarantee that all investments made by a Fund, even those which integrate the management of sustainability risks into their investment selection processes will reflect beliefs or values of any particular investor on sustainable investments. In addition, the circumstances in which sustainability risks are not or cannot be integrated into investment decision making or the assessment of a sustainability risk itself may change over time depending on the availability of relevant data or other information which may become available.

Taxonomy Regulation

The Fund promotes environmental characteristics. As such, it is required as per Article 6 of the Regulation (EU) 2020/852 (the “Taxonomy Regulation") to state that the “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities. It should however be noted that notwithstanding the above, the Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and, as such, its portfolio alignment with the Taxonomy Regulation is not calculated.

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