

PARUS FINANCE

Parus Finance (UK) Limited Sustainable Finance Disclosure Regulation

Article 8:

The Funds (Parus Fund PLC, InRIS Parus Fund and Parus Global Opportunities Fund) have been categorised as Article 8 fund under the SFDR, i.e. a fund that promotes environmental and/or social characteristics provided that the companies in which the investments are made follow good governance practices.

Sustainability Criteria:

The Investment Manager seeks to achieve a positive environmental, social and governance ("ESG") outcome through the application of sustainability criteria to the Fund's portfolio.

The Funds aim to have a portfolio that results in a lower environmental footprint than the investable universe, as measured by carbon intensity, whilst avoiding companies with questionable corporate governance of poor moral practices, as further described below. In addition, the Funds do not invest in companies that derive the majority of their revenues from illegal or nuclear weapons, adult entertainment, manufacturing of tobacco products or thermal coal.

The Investment Manager monitors the carbon intensity data at the level of each investee company and the Fund's overall portfolio as against the investable universe. The environment is a critical element of the ESG research and monitoring this metric ensures that the investment process leads to positive, demonstrable and independent outcomes which can be monitored over time.

The Investment Manager aims to ensure that the Fund's investee companies follow good governance practices. The Investment Manager engages directly with the investee companies in relation to their ESG policies including where the relevant information may not be readily available through external data providers and to give a more qualitative view on the company's commitment to ESG by issuing a periodic questionnaire to the Fund's investee companies. The questionnaire is also a tool to promote ESG disclosure and improvement of policies. The Investment Manager also utilises the Fund's voting rights as a tool to encourage investee companies to follow good governance practices.

Information on integration of sustainability risks in investment decision making:

The Investment Manager has developed an ESG policy (available at www.parusfinance.com), to which it adheres, covering its principles, processes and initiatives. The Investment Manager uses an internal proprietary model to assess the Sustainability Factors as they apply to potential investee companies which includes an analysis of and periodic internal reporting on a company's disclosure, trends and comparisons to peers from company-reported metrics and integrates the assessment of potential investee companies by multiple third party specialist solutions. The model tracks a company's behaviour and progress from an ESG perspective. Low scoring companies can be flagged for further research, to identify the reason for this and to help the Investment Manager decide if it is comfortable holding the position. The fundamental nature of the Investment Manager's research process leads to a deep understanding of a company's

business, the products and services it provides, as well as its corporate culture. This also results in an understanding of the qualitative outlook of a company's Sustainability Risk and the impact of ESG events on a company.

Alongside the data elements of the investment process, the qualitative part of the research process and questionnaires issued to the investee companies allow the Investment Manager to understand how companies perform on such factors.

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The combination of the proprietary scoring model, third party rankings, carbon intensity data and questionnaires result in an ongoing monitoring of a range of criteria at an individual investment and portfolio level. This allows for development over time and for any issues to be highlighted, considered and addressed.

Although the materialisation of a Sustainability Risk could potentially have a negative impact on the value of the Fund's Investments, the Investment Manager has determined that the likely impact on the returns of the Fund arising from Sustainability Risk is not significant. This is due to the comfort in the ESG practices of the investee companies achieved through the aforementioned research process carried out by the Investment Manager. The Investment Manager's assessment of Sustainability Risk is based on the information available to the Investment Manager and there can be no guarantee that the actual impact of the Sustainability Risk will not be significant.

Principal adverse sustainability impacts statement

This firm does not consider the adverse impacts of investment decisions on sustainability factors. Whilst the Investment Manager considers a broad range of quantitative environmental, social and governance factors in its investment decisions as described, at this point in time, Parus does not believe that there is the availability of sufficient reliable data to fully consider Principle Adverse Impact Indicators.

The firm continues to review this statement and evaluate whether it will consider principal adverse impacts of its investment decisions on sustainability factors.

EU Taxonomy:

While the Funds promote environmental and social characteristics within the meaning of Article 8 of the SFDR, they do not currently commit to investing in "sustainable investments" within the meaning of the SFDR. Accordingly, the alignment of the Fund's portfolio with the EU criteria for environmentally sustainable economic activities, as contained in the Taxonomy Regulation, is not calculated.