



Information Statement

Mori Capital Management's Policy on Consideration of Principal Adverse Impacts of Investment Decisions on Sustainability Factors

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1. Introduction

Mori Capital Management Limited ("Mori", "the Company", "we", "us") is an investment management company incorporated in Malta and specialised in emerging markets. The Company is currently authorised and regulated by the Malta Financial Services Authority ("MFSA") under license number MORI-IF-10972.

Regulation (EU) 2019/2088, also known as the Sustainable Finance Disclosures Regulation ("SFDR"), was introduced by the European Union ("EU"), together with a number of other legal measures, in order to increase the level of transparency around sustainability within financial markets. SFDR requires firms that manage investment funds to disclose how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

This information statement has been prepared for the purpose of meeting the disclosure requirements established in Article 4 of SFDR; specifically, level 1 requirements with regards to whether/how Mori considers principal adverse impacts of investment decisions on sustainability factors.

Mori is the discretionary portfolio manager of two subfunds, Mori Eastern European Fund and Mori Ottoman Fund, within Mori Umbrella Fund plc, a UCITS financial entity domiciled and regulated in Ireland. None of the subfunds under Mori's management promote environmental or social objectives nor do they have a sustainable investment objective. Therefore, for the purposes of SFDR, both subfunds fall within the remit of Article 6 and are out of scope of level 2 SFDR Taxonomy RTS disclosure requirements.

Nevertheless, whilst none of the subfunds managed by the Company promote environmental and/or social characteristics, one of the core tenets of Mori's investment philosophy is the belief that investors and asset managers have a responsibility to make their investments in a way that effectively supports a sustainable society. We value the importance of integrating Environmental, Social, and Governance ("ESG") factors into our investment and risk processes, and fundamentally believe that adherence to these principles is aligned with the aim of achieving long-term positive financial performance for our investors. We also recognise and value the fact that this will also support the better functioning of companies we invest in, enhancing behaviour in a wide range of markets and industries and having a positive societal impact beyond the financial markets. Accordingly, the Company's investment activities adhere to the principles described in Mori's ESG & Responsible Investment Policy, Mori's Engagement & Stewardship Policy, and the processes described in this statement.

2. What is a Sustainability Risk?

In this context, a sustainability risk is considered to be an environmental, social or governance event or condition that, should it occur, could cause an actual or potential material negative impact on the value of an investment.

3. Consideration of PAIs during the Investment Decision Process

Mori uses the definition of principal adverse impacts (“PAIs”) as described in Article 20 of SFDR, ie, the impacts of investment decisions made by the Company that result in negative effects on sustainability factors such as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. To minimise their effect, PAIs are taken into consideration by Mori during the investment decision making process. For example, we may consider whether companies we invest in contribute negatively to environmental (such as climate change mitigation and pollution prevention) or social (such as corporate stewardship, human or labour rights controversies, anti-corruption and anti-bribery) objectives. At the same time, we may also consider whether companies we invest in contribute positively to environmental objectives or social objectives, such as tackling inequality, fostering social cohesion, social integration and labour relations, or empowering human capital or economically or socially disadvantaged communities.

In order to avoid or reduce any PAIs identified, where these are considered material (taking account the size, nature and scale of our activities), we may reduce our exposure to these companies or altogether exclude them for consideration for investment. Please refer to Mori’s ESG & Responsible Investment Policy for further details.

Mori actively monitors securities held in our portfolios based on their ESG assessment (when available) and other relative information, such as negative news stories. A controversy alert or sudden drop in the ESG assessment allows us to identify any negative developments in a timely manner. Depending on the specifics of the situation, this may result in engagement, voting against a company through proxy voting or divestment. We might also invest in companies that do not perform well on certain ESG aspects but are on track to implement changes to improve on these areas. We typically also engage with these companies to gain a better understanding of processes implemented and the current state regarding these topics.

We may engage with companies as part of our investment due diligence and to clarify or express concerns over potential environmental, social or governance issues at company or at industry level. We aim to achieve a constructive dialogue between investors and investee companies to discuss:

- views on specific ESG-related negative events, measures taken to improve companies' practices, and follow up actions to remedy the situation;
- management of ESG risks and business opportunities associated with sustainability challenges;
- enhanced disclosure of ESG-related information, data and practices. We specifically encourage companies to disclose more relevant information and environment-related metrics by adapting to internationally well-respected reporting standards such as the Global Reporting Initiative (GRI) or the Task Force on Climate-Related Financial Disclosure (TCFD).

For further details on ESG areas of focus during our research and investment process, please refer to Mori's ESG Policy and Mori's Engagement and Stewardship Policy.

Mori adheres to business conduct rules and international standards, including the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the OECD Principles of Corporate Governance. Mori Umbrella Fund Plc is a signatory of the Principles for Responsible Investment.

4. Disclaimer

The information contained in this document is a general disclosure on the investment approach and should not be considered as (i) investment advice, (ii) an endorsement or recommendation in a financial product or service, (iii) an offer to sell or a solicitation of an offer to purchase any securities or other financial instruments. It is distributed for information purposes only. It does not constitute an agreement between yourself and Mori nor does it create any legally binding or enforceable obligations on Mori.

Individual investment objectives as well as any individual's personal and financial situation have not been considered either. On no account should the document be regarded as a substitute for the recipient procuring information for oneself or exercising one's own judgments. We therefore expressly point out that this document does not constitute personal investment advice.

The document does not constitute an investment strategy pursuant to Article 3 (1) No. 34 Regulation (EU) No 596/2014 on market abuse (market abuse regulation) nor an investment recommendation pursuant to Article 3 (1) No. 35 Regulation (EU) No 596/2014.

Investment decisions should always be made on the basis of the sales documentation (key investor information, sales prospectus and the current annual report), which provide detailed comments on the opportunities and risks of the financial instrument.

The statements made herein have not been audited by an external party, particularly not an independent auditing firm. All views expressed are those of Mori.

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