Sustainability-related Disclosures

under the EU Sustainable Finance Disclosure Regulation (the **SFDR**)

Osmosis ICAV (the ICAV)

Osmosis Global Credit Fund (the **Fund**)

Legal Entity Identifier: 635400IDASVSQHNJRG92

1 SUMMARY

The ICAV is authorised by the Central Bank of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and as an open-ended umbrella fund with segregated liability between sub-funds.

The Fund promotes environmental characteristics and as such is a financial product referred to in Article 8 of Regulation (EU) 2019/2088.

The Fund promotes the environmental and social characteristics of the transition to alignment with the Paris Agreement or the UN Sustainable Development Goals (**SDGs**) by investee companies through its transition framework, utilising its proprietary transition beta scoring, resource efficiency factor score or SDG scoring framework. The Fund promotes human rights, climate change mitigation and health by avoiding investment in companies who cause adverse harm to the environment through their business practices. The Fund also promotes the adherence to conducting business in accordance with global environmental and societal norms by avoiding investment in companies that violate them.

The Fund's investment manager, Osmosis Investment Management NL B.V., (the **Investment Manager**) invests in a multi-sector portfolio of fixed income securities from around the world, comprising fixed and/or floating rate non-government corporate bonds, sub-ordinated bonds including sub-ordinated financial instruments like Convertible Bonds and CoCo Bonds, high-yield rated corporate bonds, and emerging market debt securities issued by public or private-sector entities. The Investment Manager also invests in green, social and sustainability bonds that comply with principles published by the International Capital Market Association.

The Fund commits to a minimum proportion of 80% of investments to attain the characteristics promoted by the Fund. The Fund commits to make a minimum of 20% of its Net Asset Value in sustainable investments, measured by positive scores via the Investment Manager's SDG Scoring framework (the **SDG Framework**). The Fund's sustainable investments may have both separate and dual non-Taxonomy aligned environmental and social objectives. The Fund's Net Asset Value allocation to each of the social, environmental and dual social and environmental sustainable investments will be disclosed in the Fund's SFDR periodic report in the financial statements.

The Investment Manager has developed a proprietary framework based on the UN SDGs through which an issuer's contribution to such SDGs is determined by a 3-step process. The final score ranges between high negative (-10) to high positive (+10) and only those issuers which achieve positive SDG Scores (>+0) are regarded as sustainable investments eligible for inclusion in the Fund.

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Fund include: The Fund has no exposure to companies excluded by the binding exclusion criteria, which include companies related to: (i) involvement in the production of controversial weapons; (ii) cultivation or production of tobacco and non-certified palm oil; (iii) thermal coal mining or artic drilling or oil sands with no transition plan and (iv) fossil fuels with no transition plan within 24 months of the initial investment by the Fund. The Fund has no exposure to companies excluded due to violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies that score low using the Investment

Manager's proprietary SDG Scoring framework (e.g. the lowest score of -9/-10 in our framework of +10 to -10) are excluded.

The primary limitations to methodologies and data are the lack of corporate disclosure by issuers, and a lack of standardised disclosure frameworks applicable to issuers. The Investment Manager seeks to overcome these limitations by relying on the environmental database created by its in-house research team.

The Investment Manager has in place a policy to assess the good governance practices of the investee companies of the Fund whereby prospective investee companies are screened and assessed and removed from the investment universe where their practices fail to meet the standards of the policy.

Prescient Fund Services (Ireland) Limited (the **Manager**) delegates its portfolio management activities in respect of the Fund to the Investment Manager. The Investment Manager has developed a clear expertise in resource efficiency, corporate environmental reporting and the correct understanding, interpretation and integration of environmental data into investment theory.

2 NO SUSTAINABLE INVESTMENT OBJECTIVE

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

3 ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Fund promotes the following environmental/social characteristics:

- the transition to alignment by investee companies with the Paris Agreement or the UN SDGs through its transition framework;
- human rights, climate change mitigation and health; and
- adherence to and conducting business activities in accordance with global environmental and societal norms.

4 INVESTMENT STRATEGY

The Fund invests primarily in a diversified portfolio of non-government global fixed income securities rated Investment Grade across a broad spread of sectors and countries seeking to capitalise on primarily improving credit fundamentals for a particular sector or company.

The Fund invests across a broad spread of companies and sectors and countries seeking to capitalise on improving credit fundamentals for a particular sector or company. The Investment Manager's investment process incorporates "top down" and "bottom up" processes to construct the portfolio.

Once the Investment Manager has optimised the "top down" assessment, it undertakes credit research to identify bonds with improving credit fundamentals or attractive credit spreads. This is the Investment Manager's "bottom up" selection process. The Investment Manager employs a rigorous credit research process for the companies in which the Fund invests. Every investee company is assessed on a business, strategy, sustainability, corporate structure and financials five pillar framework. Each pillar is concluded with a qualitative assessment (very strong, strong, average, weak and very weak) of the section. There is no fixed weighting or importance of the sections among each other. At the end of the credit committee the analysts determine a C Score (ranging from +3 to -3) which reflects the fundamental credit quality over the next twelve months given the credit rating and across sector. The Investment Manager's reason to determine a C Score given the rating and across sectors is because a higher rated credit is fundamentally stronger than a lower rated credit. Separately to this the credit committee decides on the relative value of the issuer and its issues. This way the credit report provides the tool to have a thorough discussion to protect against experiencing defaults or credit losses and that is what is central to the investment process.

The Investment Manager's approach to incorporating sustainability considerations focuses on 'Transition thinking'. This approach involves assessing whether each investee company is on track to become part of a more sustainable economy. Examples of making progress to a more sustainable economy are through climate change mitigation that contributes to the Paris Agreement (to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C) or contributing to achieving the UN SDGs.

The Investment Manager believes that Transition thinking differs from traditional ESG thinking. ESG thinking makes one better informed about a company using often historical data analysis and reflects the financial materially factors that impact the company. Transition thinking focuses on the combination of the current product impact of the company and uses more forward-looking elements like investing in green capital expenditures (e.g. via Green, Social and Sustainability Bonds) or creating green patents to make progress on the pathway to a more sustainable economy. In practice it means that the Investment Manager specialises in incorporating negative externalities (e.g. pollution or carbon cost) into cash flow modelling and credit research. This last step of analysing the financial impact of the Transition on credit worthiness of the company is crucial.

The Investment Manager realises investors want a good return and therefore it believes its assessment and selection of the winners in the Transition enhances alpha and return potential. The Investment Manager believes Transition thinking enhances returns since the investee companies that are better prepared for the Transition will face less stranded assets or assets that are less profitable or less economical or technically have a shorter life (higher depreciation). The Investment Manager expects that transitioning companies show less cash flow interruptions and better quality and hence are better prepared for the future. Overall, the combination of ESG integration with the more forward-looking Transition thinking seeks to drive alpha and creates a portfolio which is more geared to the sustainable economy.

The Investment Manager's Transition framework dissects current economic activities (both what the product range is and an assessment how the company produces) into a series of predefined economic activities in order to be able to compare companies. The Investment Manager defines KPIs associated with Nature, the Economy and Society which it calls Transition Dimensions.

The Investment Manager excludes issuers that are listed on any sanctions lists published or maintained by the United Nations, the United States of America, the Netherlands, or the European Union. The Investment Manager also seeks to apply wider principles-based exclusions on companies where the Investment Manager in its discretion determines, based on information provided by a third-party data provider as outlined above, the company:

- (i) is in breach of any of the International Labour Organization (ILO) standards, United Nations Guiding Principles (UNGP), United Nations Global Compact (UNGC) or the organisation for economic co-operation and development (OECD) guidelines for multinational enterprises;
- (ii) is in breach of the Investment Manager's good governance test and anti-money laundering criteria;
- (iii) has involvement in controversial weapons production which represents 10% of revenue or greater and is in breach any of the following treaties or legislation;
    - (a) the Ottawa Treaty (1997) on anti-personal mines,
    - (b) the Convention on Cluster Munitions (1997) on cluster munition,
    - (c) the Chemical Weapons Convention (1997),
    - (d) the Biological Weapons Convention (1997),
    - (e) the Treaty on the Non-Proliferation of Nuclear Weapons (1996),
    - (f) the Market Abuse Regulation,

(g) the Belgian Loi Mahoux on uranium weapons, or

(h) Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons; and

(iv) is a company with involvement in the cultivation or production of tobacco or non-certified palm oil which represents 10% of revenue or greater.

The Investment Manager also utilises its SDG Scoring framework in relation to investing in sustainable investments as part of its investment strategy. The SDG Scoring framework is also used in relation to promotion of environmental and/or social (**E/S**) characteristics such that companies that score a -9/-10 on the Investment Manager's proprietary SDG Scoring framework are excluded as set out below.

In addition, in normal market conditions, the Fund will invest a minimum of 20% of its Net Asset Value in investments which the Investment Manager has categorised as sustainable investments (including a minimum of 5% of its Net Asset Value in Green, Social and Sustainability Bonds) as determined by the Investment Manager which aim to contribute to the UN SDGs that have both a social and environmental objective. Prior to selecting Green, Social and Sustainability Bonds for inclusion in the Fund's portfolio, the Investment Manager's research process assesses (i) whether the Green, Social and Sustainability Bonds comply with the relevant ICMA Principles, (ii) the impact of the Green, Social or Sustainability Bond by reference to the projects financed through the proceeds of the Green, Social, or Sustainability Bond, and (iii) whether the Green, Social or Sustainability Bond fits with the Fund's strategy. The Investment Manager has developed a proprietary framework based on the UN SDGs through which an issuer's contribution to such SDGs is determined by a 3-step process. This process starts with a sector baseline on which a company's products are analysed to examine contribution to the society and environment. Further, the operational processes involved in creating such products is checked along with any controversies/litigation claims and remediation actions taken which are perused before a final SDG Score is determined. The final score ranges between high negative (-10) to high positive (+10) and only those issuers which achieve positive SDG Scores (>+0) are regarded as sustainable investments eligible for inclusion in the Fund.

5 PROPORTION OF INVESTMENTS

A minimum of 80% of the investments are aligned with the E/S characteristics of the Fund. The Fund commits to make a minimum of 20% of its Net Asset Value in sustainable investments, measured by positive scores via the Investment Manager's SDG Scoring framework as described above.

The binding elements of the Fund's investment strategy to select investments to attain the E/S characteristics promoted by the Fund are:

- No investments in companies involved (subject to thresholds outlined in the supplement) in: (i) the production/involvement in controversial weapons; (ii) the production/cultivation of tobacco and non-certified palm oil and; (iii) thermal coal mining or artic drilling or oil sand with no transition plan;

- The fund will only invest in fossil fuel companies with a transition plan within 24 months of the initial investment;

- No investment in companies that are in breach of ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises;

- A minimum of 5% investment of the funds NAV in green, social, sustainability and sustainability-linked bonds;

- To be classified as a sustainable investment in which the Fund commits to invest 20% of its Net Asset Value companies must achieve positive SDG Scores (>+0);

- The Fund's investments in companies that score a -9/-10 on the Investment Manager's proprietary SDG Scoring framework are excluded from the allocation of investments used to attain the E/S characteristics promoted by the Fund.

6 MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Investment Manager monitors the promotion of the E/S characteristics by employing the following proprietary investment frameworks.

The first is the SDG Scoring framework as described below. This framework maps the company to the 17 SDGs as defined by the United Nations and set out in Annex I below.

The second framework is the Transition Beta Scoring. This framework combines current product impact, forward looking green investments and the financial health of the company to determine a measurement of how much the company is geared towards the Transition.

The third is the Resource Efficiency framework which drives (equity) alpha via assessing the most resource efficient companies and is also relevant for debt investors. A weak or dirty or negative contributing activity will not be made whole by a good activity. As soon as there is a material negative contributing activity the total score of the SDG framework will turn negative.

The Resource Efficiency Factor Score is generated through the Osmosis Model of Resource Efficiency or MoRE Model which calculates scores on a systematic basis using a proprietary resource efficiency valuation metric derived from observed amounts of energy consumed, water use, and waste created relative to revenue generated for each company. Only companies which disclose on GHG Equivalent Emissions, water consumption and waste generation will be scored. These factors are combined and calculated into a Resource Efficiency Factor Score, i.e. for each stock within the universe of companies disclosing environmental and resource efficiency data a unique multi-factor score is calculated. The multi-factor score is generated by combining the individual factors of greenhouse gas emissions, water use, and waste generated which are used to quantify a company's resource efficiency.

The Resource Efficiency Factor Scores are analysed within their sector and re-calculated in respect of each company upon publication of its annual financials (including its environmental report). When new data is released for a company, then the Resource Efficiency Factor Score will change for that company. A company that either does not disclose or does not disclose sufficiently on the three resource consumption factors (energy, water and waste) receives a zero-factor score.

7 METHODOLOGIES

The Investment Manager measures how the E/S characteristics promoted by the Fund are met by ensuring that investments by the Fund are assessed against the sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Fund. The sustainability indicators are as follows:

- No exposure to companies excluded the binding exclusion criteria as outlined in the Supplement;

- No exposure to companies excluded due to violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises

- Low scoring companies (lowest score of -9/-10) using the SDG Scoring Framework are excluded.

In order to be classified as a sustainable investment in which the Fund commits to invest 20% of its Net Asset Value:

- Companies must achieve positive SDG Scores (>+0); and

- Green, Social and Sustainability and Sustainability-Linked Bonds in which the Fund invests a minimum of 5% of its Net Asset Value must comply with the ICMA Principles.

8 DATA SOURCES AND PROCESSING

The Investment Manager may source data from third party data providers such as MSCI, Sustainalytics or Bloomberg, however the Investment Manager prefers to rely on proprietary, self-generated data or create derived data sets based on data obtained from third party data providers that have a more forward-looking or impact-related meaning to the Investment Manager's investment professionals. The Investment Manager's team is comprised of experienced individuals with specialist research, analysis and legal skill sets. By leveraging the complementary expertise of the Investment Manager's team, the Investment Manager believes it can ensure the quality of the data sources used to attain the E/S characteristics promoted by the Fund.

Third party research data is obtained and is stored internally on the Investment Manager's secure database and is accessible to the Investment Manager's team. Similarly, research data that is developed internally and/or sourced from other sources including directly from investee companies is also stored internally on the Investment Manager's secure database and is accessible to the Investment Manager's team.

The Investment Manager may also obtain data from sources including, amongst others, company documents, public data and consultation with third party analysts. The Investment Manager's use of estimated data is limited.

9 LIMITATIONS TO METHODOLOGIES AND DATA

The primary limitations to the methodologies or data sources employed by the Investment Manager are the lack of corporate disclosure by issuers, and a lack of standardised disclosure frameworks applicable to issuers. Consistent with the experience of other financial market participants, the Investment Manager can find it a challenge to obtain adequate information on principal adverse indicators. Where the Investment Manager does find that adequate information is made available by issuers, it is often in a format that is difficult to correctly interpret and integrate into the Investment Manager's investment models. While the Investment Manager perceives an ongoing steady increase in the level of corporate environmental disclosure being made available, and in the data quality, the Investment Manager does not foresee this issue being completely resolved in the near future.

In order to seek to overcome these limitations, the Investment Manager heavily invests in its in-house research team specialising in extracting, cleaning, interrogating and standardising corporate environmental disclosures. The Investment Manager believes that by keeping this process in-house, rather than relying on data vendors to supply it with environmental data, the Investment Manager has developed a deeper understanding of its datasets, enabling the Investment Manager to create a superior environmental database leading to higher confidence in the Investment Manager's ability to deliver the environmental characteristics promoted by the Fund.

10 DUE DILIGENCE

The Investment Manager believes in the integration of alpha, risk, and sustainability. Alpha is a measure of how an investment of the Fund performs compared to the Benchmark, after adjusting for risk. This approach results in an integrated solution for every investment decision, requiring all three elements to be assessed. The Investment Manager assesses potential investments by the Fund by reference to these three elements.

The Fund invests across a broad spread of companies and sectors and countries seeking to capitalise on improving credit fundamentals for a particular sector or company. The Investment Manager's investment process incorporates "top down" and "bottom up" processes to construct the portfolio. The "top down" assessment focusses on the phase of the credit market and the overall global economic environment and allows the Investment Manager to assess, in respect of an investment, the portfolio beta (i.e. the volatility or risk compared to the Benchmark), the sector choice and other more cyclical variables.

Once the Investment Manager has optimised the "top down" assessment, it undertakes credit research to identify bonds with improving credit fundamentals or attractive credit spreads. This is the Investment Manager's “bottom up” selection process. The Investment Manager employs a rigorous credit research process for the companies in which the Fund invests. Every investee company is assessed on a business, strategy, sustainability, corporate structure and financials five pillar framework. Each pillar is concluded with a qualitative assessment (very strong, strong, average, weak and very weak) of the section. There is no fixed weighting or importance of the sections among each other. At the end of the credit committee the analysts determine a C Score (ranging from +3 to -3) which reflects the fundamental credit quality over the next twelve months given the credit rating and across sector. The Investment Manager’s reason to determine a C Score given the rating and across sectors is because a higher rated credit is fundamentally stronger than a lower rated credit. The Investment Manager generally invests in bonds whose issuers the Investment Manager determines exhibit an improving credit fundamentals profile based on the Investment Manager’s independent credit research. The Investment Manager’s assessment that an issuer exhibits an improving credit fundamentals profile is reflected by a C score ranging from +3 to -3. A score of zero or higher reflects stable or improving credit fundamentals over the next 12 months. Separately to this the credit committee decides on the relative value of the issuer and its issues. This way the credit report provides the tool to have a thorough discussion to protect against experiencing defaults or credit losses and that is what is central to the investment process.

The Investment Manager has in place a policy to assess the good governance practices of the investee companies of the Fund whereby prospective investee companies are screened and assessed and removed from the investment universe where their practices fail to meet the minimum standards of its good governance policy. In particular, companies flagged by the UNGC exclusion list will be excluded entirely from the Fund. The Investment Manager incorporates analysis of the investee company’s good governance practices as a natural part of its credit research. It does this utilising minimum requirement criteria assessing against “corruption and ethical issuer behaviour” through analysis of compliance with the UNGC principles on anti-bribery and corruption, “employee stakeholder management including fair remuneration of staff” through compliance with UNGC principles on labour relationships and “weak corporate structures and reporting” through analysis of reporting of financial statements on time and unqualified audited financial statements. The Investment Manager has soft controls which it utilises as part of its good governance policy assessing companies with active legal or governance or shareholder rights issues or issues associated with tax, accounting, and delays on transparency. The Investment Manager undertakes its own research alongside publicly available and external data provider research to ensure that all companies included in the portfolio exhibit good governance practises.

11 ENGAGEMENT POLICIES

Direct engagement with issuers of securities in which the Fund invests is not part of the Investment Manager’s environmental and social investment strategy in respect of the Fund. The securities in which the Fund invests do not typically bear voting rights and accordingly the Investment Manager does not exercise voting rights with regard to the Fund’s investments.

12 DESIGNATED REFERENCE BENCHMARK

No reference benchmark has been designated for the purpose of attaining the environmental characteristics promoted by the Fund.