Elephant Funds
SFDR Sustainability Risk Policy

Categorisation of the Elephant Funds under SFDR

Staff from Elephant Asset Management (London) LLP are seconded to Marble Bar Asset Management LLP (the “Investment Manager”) to act as portfolio managers of the Elephant investment strategy for certain alternative investment funds and managed account clients (“Elephant Funds”).

The Elephant Funds, for the purposes of Article 8 of the Sustainable Finance Disclosure Regulation (“SFDR”), promote among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, but do not have sustainable investment as an objective as defined under Article 9.

Integration of sustainability risk in investment decisions

Under the SFDR “sustainability risk” is defined as an environmental, social or governance event or condition which, were it to occur, could have a material negative impact on the value of an investment. The Investment Manager undertakes research and due diligence when evaluating potential investments. Where the Investment Manager finds it relevant to a potential investment, the Investment Manager will undertake due diligence and obtain research regarding specific ESG factors that it believes may have a bearing on the potential or projected performance of the portfolio, including factors relating to (among other things) governance, incentive structures, human capital development, interaction with society, ecological efficiency, product carbon footprint, etc. Further, the Investment Manager monitors any such factors relevant to specific investments on an on-going basis.

As part of its wider risk monitoring and risk management framework, the Investment Manager will consider sustainability risk where it has determined it to be relevant to an investment. The assessment of sustainability risk as part of the investment decision-making process reflects factors identified as relevant at the outset as well as factors which may become relevant due to changes in environmental or social conditions, changes in law or policy, market expectation, new information or research and other similar developments.

Where necessary and appropriate, the Investment Manager will use proprietary ESG checklists, engagement with investees and specialist research or tools (as appropriate) to identify, manage and monitor sustainability risk and its impact on returns but such an assessment may not form part of a discrete process or serve as an independent consideration in respect of all investments held by the Investment Manager.

The Investment Manager does not currently separately assess the likely impact of sustainability risk on the returns of the Master Fund, but where it determines relevant considers the impact on returns as part of its broader assessment of projected returns.

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