

Strictly confidential

Brilliance Asset Management Limited

Environmental, Social, and Governance Policy

Owner: Compliance

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1. Introduction and Business Principles

This policy sets out Brilliance Asset Management Limited (“Brilliance” or the “Firm”)’s commitment and approach to integrating Environmental, Social and Governance (“ESG”) factors into the investment process as well as across the culture and operations of the Firm.

2. ESG Oversight

Brilliance’s ESG culture has been developed by its board and senior management, who maintain oversight and accountability of Brilliance’s approach to ESG.

The board oversees the Firm’s incorporation of climate-related considerations into the investment and risk management process, and its progress against goals for addressing climate-related issues. The board also has delegated incorporation of climate-related considerations to senior management, who have established an ESG committee which has responsibility for focusing on climate-related issues, as set out below (“ESG Committee”).

The ESG Committee is a dedicated team consisting of the following senior individuals representing a range of business areas:

- Chief Investment Officer
- Chief Operating Officer
- Chief Compliance Officer
- Chief Risk Officer
- Head of Trading
- Head of Operation
- Investment Analyst

In addition, individuals designated by the Chair of the ESG Committee may attend committee meetings on an ad hoc basis.

The mandate of the ESG Committee is as follows:

- Overall establishment of Brilliance’s ESG strategy, goals and objectives and implementation of ESG initiatives at a firm and fund level, including:
 - o Quarterly assessment of internal responsible investment capabilities and training requirements.
 - o Annual suitability assessment and development of overall ESG integration framework.
 - o Arranging ESG training and education across the firm.
 - o Remaining up to date on latest ESG trends and developments, regulatory requirements and investor preferences.
 - o Communication of ESG initiatives to Brilliance’s stakeholders.
- Oversight of ESG integration within the investment process, including:
 - o Evaluation of ESG research produced by investment team.
 - o Proxy voting (specifically votes against or abstentions).
 - o Oversight of exclusion list.
 - o Point of escalation for ESG investment decisions.
- Management of climate-related risks
 - o Monitor status and progress of efforts to manage climate-related risks.

- Arrange training for relevant individuals on climate-related risk management, engage experts and/or third party climate-related data.
- Establish internal controls and written procedures to ensure compliance with internal policies and procedures as well as regulatory requirements related to the management of climate-related risks
- Set goals for addressing climate-related issues and develop action plans for managing climate-related risks.

ESG Committee meetings are arranged as follows:

- The quorum necessary for meeting of the ESG Committee shall be four members, at least one of whom must represent the investment side of the business. A duly convened meeting of the ESG Committee at which a quorum is present shall be sufficient to make decisions.
- The ESG Committee meets at least once each calendar quarter (or more if required on an ad hoc basis).
- Proceedings and resolutions of the ESG Committee meeting shall be minuted.
- The Chairman of the committee is the Chief Operating Officer.

3. ESG Integration Approach

This policy covers the approach to responsible investing for all assets under management of Brilliance.

The Firm aims to generate long-term capital appreciation by participating in key economic developments within the Chinese economy and China-driven global economic developments.

We believe the nature of our investment strategy is well positioned for integrating ESG factors into the investment process. The primary objective of incorporating ESG factors into investment analysis and decisions is to manage potential risks and opportunities which may have a financial impact and maximise returns. This aligns with the overall investment objective of the funds that Brilliance advises as well as our fiduciary duty to maximise returns for investors. In addition, considering ESG factors helps Brilliance to develop a deeper understanding of sustainability issues and potentially reduces detrimental sustainability outcomes.

Brilliance uses the UN Principles for Responsible Investment's ("PRI") definition of environmental, social and governance issues that are identified or assessed in responsible investment processes:

- Environmental factors are issues relating to the quality and functioning of the natural environment and natural systems.
- Social factors are issues relating to the rights, well-being and interests of people and communities.
- Governance factors are issues relating to the governance of companies and other investee entities.

Using both ESG screening and integration techniques, the investment team seeks to consider how ESG risks and opportunities may have a financial impact on investment opportunities.

3.1 Negative Exclusion (Screening)

We believe it is considered better practice to extend negative exclusions beyond legal requirements (such as those required by domestic/international law, bans, treaties or embargoes), where possible, and exclude assets that may be harmful to people and the planet. To this end, in addition to observing legally required exclusions, Brilliance has established its own ethical framework which operates as detailed below.

Brilliance will seek to avoid investments in companies which have a significant involvement in the following sectors:

Controversial Weapons	Production, sales or distribution of: - handguns, assault weapons or other similar firearms for individual/civilian use - controversial weapons (such as anti-personnel mines, cluster munitions, chemical and biological weapons, and depleted uranium and nuclear weapons)
Adult Entertainment	Production, sales or distribution of adult movies, cinemas that show adult movies, adult entertainment magazines and the broadcasting of adult entertainment

Exclusions are applied to both long and short positions, but are not applied to constituents of broad market indices.

The ESG Committee maintains oversight of reviewing the portfolio's adherence with the exclusion framework.

3.2 ESG in Investment Management

Brilliance's investment decisions are based on extensive fundamental research and analysis, which incorporates all relevant and material risks, including those relating to ESG.

In particular, as a part of our investment process, Brilliance identifies relevant and material physical and transition climate-related risks for our funds and investments. Where relevant, we seek to factor the material climate-related risks and opportunities identified into our investment analysis and decision-making process, determining their potential impact on the value and performance of underlying positions.

3.3 ESG in Risk Management

In addition to the steps taken by the investment team to incorporate climate-related risks into their investment analysis and decision-making process, the risk management process at Brilliance also considers climate-related risks to ensure that appropriate steps have been taken to identify, assess, manage and monitor relevant and material climate-related risks for each fund and investment.

To assist with the identification, assessment and quantification of climate-related risks, as with the investment management process note above, Brilliance may also engage a reputable third-party data provider.

Risk will also conduct additional monitoring and management independently.

Risk will oversee to ensure that each investment in scope has had climate-related risks identified, assessed and incorporated into the investment decision making process.

Risk may also separately review third party carbon footprint data, climate analysis and scenario data to ensure that climate-risks have not been overlooked at a portfolio level.

Risk uses Carbon Footprint Analysis as the primary metric in the process of managing and monitoring climate-related risks across the portfolio and may use Scenario Analysis on as-needed basis.

Carbon Footprint Analysis

Risk monitors the portfolio carbon footprint where data is available or reasonably estimated. Carbon footprint calculations are done in line with the PCAF standard, using the formula below:

$$\sum_N^i \left(\frac{\text{Current value of investment}_i}{\text{Investee company's enterprise value}_i} \times \frac{\text{Investee company's Scope 1 and Scope 2 GHG emissions}_i}{\text{Current portfolio value (\$ million)}} \right)$$

Scenario Analysis

Brilliance believes scenario analysis can be helpful in evaluating the resilience of our investment strategies to climate-related risks under different pathways.

ESG committee evaluates whether there is a need to conduct the scenario analysis based on the climate risk assessment and the development of international climate policies and change in physical environment, e.g., global GHG emission level and temperature level, as well as the Carbon Footprint for each portfolio.

3.4 Data Source

In addition to proprietary research, Brilliance may engage reputable third-party data providers to enhance our due diligence and research capabilities, which may include data with respect to carbon and climate data, ratings and analytics.

3.5 Stewardship

Stewardship is typically implemented through tools such as engagement and proxy voting. The primary stewardship objective is to maximise the risk-return profile of individual investments. The ESG Committee is responsible for oversight of stewardship activities and acts as a point of escalation if necessary.

Brilliance may engage with investee companies on a case-by-case basis to conduct additional due diligence, share best practice or influence change at the company. We prioritise engagement based on issues most material to the investment process. These may include governance related matters, strategic direction of the company, environmental issues such as climate-related risks, targets and plans, or social issues. We typically engage directly with the company, but we are open to collaborative engagement if the opportunity presents. Engagement activities are overseen by the ESG Committee.

Brilliance has implemented a separate Proxy Voting Policy which addresses general voting principles, conflicts of interest, voting procedures, and record keeping.

3.6 Approach to Sustainability Outcomes

Brilliance considers sustainability risks as a part of the ESG analysis process as detailed above. This includes collecting certain climate-related metrics on each company where available and considering the Task Force on Climate-related Financial Disclosures' ("TCFD") Climate-related Risks and Opportunities associated with each sector and investment opportunity. Whilst the investment team seeks to avoid adverse sustainability outcomes from its investments, it is not currently our investment objective to seek specific sustainability outcomes.

4. Disclosures and Reporting

Brilliance places great importance on transparency and disclosure to our investors. As such, the Firm will prepare a climate risk report from time to time which will highlight relevant climate-related information. Such climate risk report will be available through our website.

5. Memberships of Industry Bodies

Brilliance believes that participation in industry bodies demonstrates our commitment to responsible investing, and helps us to be active owners, promote appropriate ESG disclosures and learn and enhance our effectiveness in ESG. For instance, Brilliance became a signatory of the Standards Board for Alternative Investments (SBAI) in 2019. The SBAI is a global active alliance of alternative investment managers and investors dedicated to advancing responsible practice, partnership, and knowledge. The SBAI community is committed to making investing in alternatives more efficient and more transparent. They help ensure the quality and efficacy of the alternative investment arena through the active promotion of responsible standards and the exchange of ideas.

6. Brilliance's own ESG culture

In addition to the ESG approach deployed within the investment process, Brilliance believes it is important to operate its own business in line with good ESG practices. As such, Brilliance is committed to better manage waste consumption and recycling and improving energy efficiency for the Firm. To that end, the Firm will implement various business initiatives in an on-going basis to do its part and enhance Brilliance's own ESG culture. Some of the initiatives will be in the following areas:

Environmental Initiatives:

- Waste Management
- Energy Efficiency
- Travel Practices

Social Initiatives:

- Diversity and Inclusion Initiatives
- Employee Wellbeing
- External Engagement

Governance Initiatives:

- Governance Framework
 - Transparency and Fair Treatment of Investors
 - Supply Chain Management
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7. ESG Training

The ESG landscape is constantly evolving, and Brilliance is keen to ensure that all staff are educated and aware of ESG developments across the investment universe. To that end, training is provided to all staff on ESG on an annual basis, or more if required.

Additionally, at each quarterly meeting, the ESG Committee assesses whether the investment team and ESG Committee have the required responsible investment capabilities to conduct necessary ESG research and will determine whether additional training and/or resources are required.

8. ESG Policy Maintenance

The ESG Policy is reviewed at least annually.

Appendix 1 – Document control and history

Document control

Version no	Date changed	Summary of changes	Changes made by
1.0	May 2021		
1.1	April 2022	Updates to reflect new framework and adherence to relevant regulation.	ESG Working Group
1.2	July 2022	Updates approved	ESG Committee
1.3	June 2023	Updates to reflect practical adjustments and good practices.	ESG Committee
1.4	June 2024	Updates to reflect practical adjustments	ESG Committee
1.5	June 2025	No change needed	ESG Committee