



QUAYSTREET®
ASSET MANAGEMENT

Socially Responsible Investment Policy

August 2025

Scope of Policy

This Socially Responsible Investment (**SRI**) Policy (**Policy**) applies to the investment management services provided by Smartshares Limited in relation to the Socially Responsible Investment Fund within the QuayStreet Funds (**Fund**).

The QuayStreet Investment Team (**QuayStreet**)¹ is responsible for managing the Fund in accordance with this Policy.

To learn more about the policies that apply to the other funds in the QuayStreet Funds, please see our Responsible Investment Policy on quaystreet.com/documents.

Introduction

This Policy outlines the process by which QuayStreet determines what constitutes a socially responsible investment and the nature of the criteria and assessment undertaken when making investment decisions in respect of the Fund. This Policy outlines requirements for the portfolio construction process for the Fund, for the purposes of providing investors with information that allows them to compare and evaluate the investment principles used by QuayStreet to select SRI, against their own investment beliefs and values.

QuayStreet is an active investment manager that invests on behalf of investors across domestic and international markets. It believes that a portfolio of investments in companies that possess strong environmental, social and governance (**ESG**) attributes helps improve risk-adjusted returns over the long-term. As an investment manager, QuayStreet has a duty to act in the best interest of investors and recognise that the integration of ESG principles within its investment process allows it to fulfil this duty more completely.

Philosophy & Approach to Socially Responsible Investing

QuayStreet's philosophical approach to SRI is to achieve strong investment performance whilst ensuring that high levels of ethical and ESG standards are met. This is achieved through SRI screening and ESG evaluation, conducted by QuayStreet in respect of each investment included within the Fund.

This Policy outlines how the SRI screening and ESG evaluation process is conducted, monitored and integrated into Fund portfolio construction.

¹ Within this Policy, "QuayStreet" refers to Smartshares Limited and/or its investment team responsible for managing the Funds.

QuayStreet SRI Screening Methodology

Exclusionary Screening

Exclusionary screening involves identifying commercial activities that are deemed to have a negative influence on society and/or the environment. The following table sets out a list of commercial activities that QuayStreet includes within its SRI exclusionary screening process:

Exclusion	Description of types of commercial activities that excluded
Tobacco	Tobacco farming, manufacture of cigarettes and cigars.
Alcohol	Manufacture of alcoholic beverages, distillers, brewers, vineyards and vintners.
Gambling	Casinos, betting services, gambling, mobile and online gambling, lotteries and racetracks.
Fossil Fuels	Oil & gas producers, exploration and production, refining, oil drilling and coal mining.
Nuclear	Uranium mining and nuclear weapons.
Weapons	Manufacture of landmines, bio-weapons, guns, rifles, shotguns, automatic firearms, missiles, rockets, ballistics, combat weapons and bombs.
Adult Entertainment	Pornography, adult clubs & services.

Using publicly available information, QuayStreet seeks to identify entities that directly or indirectly generate any level of revenue from the activities listed above and precludes investment in those entities by setting trade restrictions in its pre-trade compliance systems.

In the event that QuayStreet becomes aware that an entity whose securities are held in the Fund's portfolio begins to generate revenue from any of the activities listed above (i.e. due to an acquisition or change in business strategy), QuayStreet will seek to divest its interest in that entity as soon as practically possible. Such divestment will be executed in a manner to avoid incurring excessive costs or causing significant market impact or disruption.

Environmental, Social and Governance Evaluation

In conjunction with QuayStreet's investment philosophy and its application of SRI exclusionary screening, QuayStreet also undertakes extensive analysis of non-financial ESG-related risks and opportunities. This process involves the investment team understanding and determining the materiality, exposure and the timeframe in which those ESG related risks and opportunities may materialise.

This is a predominantly qualitative based assessment framework that seeks to understand the level and type of environmental and social impact an entity currently has and how that may change in the future. The investment team will also seek to understand and evaluate the governance structure of the entity in question and determine if it is supportive of achieving positive outcomes for all of its primary groups of stakeholders. Based on their analysis and evaluation of relevant underlying ESG-related factors, the investment team assigns an overall score ranging from 1 (worst) to 10 (best) for each individual ESG factor that has been evaluated.

The extent of ESG integration in the Fund's portfolio construction process is determined as follows:

1. For each entity being assessed as suitable from an SRI perspective, each ESG factor must have a score of 5 or higher.
2. The investment team will seek to invest in higher ESG scoring entities as long as it does not compromise the overall risk and return objectives of the Fund.

If an existing investment in the Fund's portfolio does not meet the ESG scoring criteria specified above, QuayStreet will seek to divest as soon as practically possible. Such divestment will be executed in a manner to avoid incurring excessive costs or causing significant market impact or disruption.

Some of the key considerations QuayStreet evaluates as part of its ESG analysis framework are outlined in the following table.

ESG Factor	Primary Focus	Example of Considerations	
Environmental	Impact on Climate Change	Carbon Emissions	Financing Emissions Exposure
		Product Impact on Emissions	Vulnerability to Climate Change
	Natural Resources Usage	Consumption of Raw Materials	Land Usage
		Biodiversity Impact	Water Usage
	Pollution and Toxic Waste	Toxic Emissions	Level of Recycling
		Product Packaging & Content	Opportunities in Recycling
	Environmental Opportunities	Clean Energy Development	Renewable Energy Exposure
		Level of Energy Efficiency	Carbon Reduction
Social	Human Capital	Employee Relationship	Development/Education of Staff
		Occupational Safety & Health	Supply Chain Labour Standards
	Impact on Society	Product Quality & Safety	Privacy/Data Security
		Controversial Sourcing	Demographic Shifts
	Social Opportunities	Social Infrastructure	Supporting Communities
		Free Access	Nutrition & Health
Governance	Corporate Governance	Skills & Experience of the Board	Risk Controls & Management
		Quality of Management	Alignment with Shareholders
	Corporate Behaviour	Executive Pay	Use of Company Resources
		Corporate Culture & Corruption	Anti-Competitive Practices
	Transparency	Quality of Reporting	Lobbying Activities
		Tax Strategy	Corporate Policies & Reporting

Active Ownership

QuayStreet recognises it has an opportunity to engage with entities in how they conduct their business, improve transparency, promote good corporate governance and advocate for sustainability.

QuayStreet achieves this through exercising voting rights on behalf of investors through proxy voting, or directly engaging with entities it has invested in or is considering investing in.

In regard to voting and corporate actions, QuayStreet will assess the relevant proposals and submit votes in a manner that supports best practice standards and outcomes for shareholders.

Some of the key elements of the governance assessment framework QuayStreet focuses on in respect of entities it considers investing in is described below:

- Board members act in the best interest of shareholders and other stakeholders.
- The board is comprised of members who have the necessary skills and experience to exercise their duties in the best interest of shareholders and other stakeholders.
- The entity ensures its behaviour and business practices are lawful and ethical.
- All shareholders have a right to participate in the governance of the entity on a fair and equal treatment basis.
- The board and any of its committees are structured to act independently from management of the entity.
- There are appropriate controls and procedures in place ensuring the board has effective and frequent oversight of entity operations.

Engagement

Regular corporate engagement offers the opportunity for QuayStreet to develop a greater understanding of business risks and opportunities that entities face, as well as ESG-related matters. It also provides a line of communication which permits QuayStreet to share feedback on entity strategy, practices or disclosures, in particular in circumstances where the Investment Team believes that these elements could be enhanced. This type of engagement is usually conducted through direct discussions with entity executives or its board of directors.

If a severe ESG-related issue arises in respect of an entity in which the Fund is invested in, QuayStreet will attempt to engage directly with the entity to for the purposes of trying to address and resolve that particular issue. The conversations that arise as a result of corporate engagement are kept confidential in order to encourage trust and openness with the entity in question. If a resolution or an adequate response is not achieved or obtained in a timely manner, QuayStreet may seek to divest the entire exposure to that entity in a prudent and cost minimising manner.

Organisational and External Participation

QuayStreet may engage and collaborate with credible organisations involved in promoting or influencing responsible and sustainable investment.

Policy Review and Accountability

This Policy is reviewed at least annually or more frequently, if required. Execution and compliance with this Policy rests with Stefan Stevanovic, Head of International Equities and Xavier Waterstone, Head of Australasian Equities.

Policy Control

Owner	Stefan Stevanovic, Head of International Equities and Xavier Waterstone, Head of Australasian Equities
Entities this Policy is Applicable to:	Smartshares Limited
Approval	Smartshares Board of Directors
Review Cadence	Annual