ARDSTONE HOMES LIMITED

SUSTAINABILITY RISK POLICY

1. Introduction

Ardstone's ESG Commitment and Vision

Ardstone Homes Limited ("Ardstone") has a clear vision to create long-term value through investment, asset management and development. Using our expert real estate knowledge, we aim to ensure that our assets cater for and exceed the current and future needs of our tenants. We are focused on improving energy efficiency, tenant satisfaction and overall wellbeing.

Ultimately, Ardstone's ESG ambition is to be recognised for its commitment to ESG and its adherence to best practice of ESG standards.

Ardstone's Guiding ESG Principles

To provide sustainable real estate
We will aim for high sustainability standards which seek to minimise carbon emissions and ensure our properties preserve value and are future proofed from climate-related risks.

Provide safe & healthy work environments
We will continue to ensure all our employees present at our workplaces abide by our Health & Safety Standards. We will also continue to improve and establish the required practices to ensure our employees have safe and healthy working conditions

To lead on governance and performance disclosure
We will quantify and verify the environmental and social impacts of our assets, review progress against our objectives and targets, and report our ESG performance to our investors, giving confidence that their investment is being managed in a responsible and transparent manner.

To create social value within our communities
We will support the local communities in which we operate by ensuring our neighbourhoods positively address local community needs and wider social issues.

2. Policy Scope

Following the introduction of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector, also known as the Sustainable Finance Disclosure Regulations ("SFDR"), Ardstone intends to implement and ensure a clear definition of the relevant factors and controls relating to sustainability risks.

This Sustainability Risk Policy (hereafter the "Policy") describes Ardstone's approach to, and handling and monitoring of, sustainability risks which may arise during the investment decision making process relating to the Fund(s), or sub-fund(s), (collectively "Funds") where it acts as investment advisor and that are in scope for SFDR.

Decision-making processes are performed in collaboration with Waystone Management Company (IE)

Limited' ("WMC"), an entity authorised as an AIFM by the Central Bank of Ireland. Just to note, WMC act as AIFM to the Ardstone Partners ICAV.

Within this Policy, Ardstone:

i. sets the framework for outlining the sustainability factors considered within the investment decision making process; and
ii. describes the approach taken to manage and monitor sustainability risks.

Ardstone acknowledges the impacts sustainability risks can impose on the Funds and considers the approach to integrate these risks arising from sustainability issues described in the Policy as strengthening its fiduciary duties towards the investors of the Fund.

3. Integration of Sustainability Risks into the Investment Decision Process

The following note describes the approach taken by Ardstone for the integration of sustainability risks into the investment decision process.

Ardstone provides specific assistance and support to the investment decision making process of the Funds by making detailed investment proposals to WMC, including an assessment of all sustainability risks deemed relevant within the investment decision making process. The final investment decision is made by WMC as AIFM to the Fund.

Article 2 (22) of SFDR defines a "sustainability risk" as every environmental, social or governance ('ESG') event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Ardstone is aware of the material impacts ESG events or conditions may cause to the Funds it manages and deems sustainability risks to be relevant to each managed Fund in proportion to the specific investment strategy of each fund.

Where relevant, Ardstone will implement a process for handling and monitoring sustainability risks.

Sustainability factors considered in the investment decision making process

The aim of including sustainability risks in the investment decision making process is to identify the occurrence of these risks as soon as possible and to take appropriate measures to minimize the impact on investments.

The events or conditions that may be responsible for a negative impact on a Fund's performance return are split into environmental, social, and corporate governance aspects and will depend on the particular objective and set-up of each Fund

Environmental aspects may include for example e.g., climate change mitigation. Social aspects can include the consideration of internationally recognised labour law requirements, prevention of modern slavery or the abolition of a gender pay gap. Corporate governance aspects may include, for example, the consideration of employee´s rights and data protection.

Ardstone also considers, aspects of climate change, including physical climate events or conditions such as heat waves, storms, rising sea levels and global warming as relevant for each Fund it manages.

The specific sustainability factors considered may vary as they depend on the specific investment strategy followed by the relevant Fund. An increase in the sustainability risk exposure, based on an increase of the sustainability risk level of a specific investment or of the portfolio of a given Fund, may lead to disinvestment of certain investments of the specific Fund.

Sustainability risk approach

Where applicable, Ardstone approach the monitoring of sustainability risks by integrating them into the risk profile of the Fund at an initial stage and on-going basis thereafter. The risk profile of a given Fund reflects the level of identified relevant risks that arise from the investment strategy, including relevant sustainability risks.

Ardstone defines internal risk limits in relation to sustainability risks for each Fund managed. The risk limits describe the maximum risk a Fund is exposed to for a certain risk type. The relevant portfolio manager within Ardstone is responsible for the monitoring of the defined sustainability risk limits set for each Fund managed.

To effectively monitor the risks, Ardstone will calculate the overall sustainability (risk) exposure of a Fund's portfolio based on the defined sustainability factors. The results of the assessment are compiled and constantly monitored by the relevant portfolio manager against the limits set in the Fund's risk profile.

If the on-going analysis and monitoring of the overall sustainability risk exposure of the Fund determine the Fund is above the limits for a sustainability factor of an investment, it will be directly reported to the Ardstone Board of directors by the relevant portfolio manager with proposed mitigation actions.

4. Exceptions and Reporting

Ordinary Reporting

The portfolio managers are responsible for regular reporting on the overall risk exposure of relevant Funds to the Ardstone Board and to WMC.

Exception Reporting

Should any material issues arise in relation to this Policy and any relevant practices which could impact the relevant managed Fund, the portfolio manager and Board shall escalate as necessary.

Circumstances where Action is Required

If, following an annual or other review of the levels of adherence to this Policy, it transpires that Ardstone is not fully compliant with the principles set out therein, corrective action may be required. Where any other issue arises in relation to this Policy and the practices and procedures arising therefrom, the issue will be tabled for discussion at the next board meeting.

5. Record Keeping

Ardstone's policies are documented in the appropriate format and manner and maintained by Ardstone's Financial Controller.

6. Review and Update

The implementation of this Policy is reviewed periodically but at least annually by the Board. The Policy will be reviewed as and when a change to the business model necessitates or in the event of an amendment to the Regulations and the Policy will be updated as required.