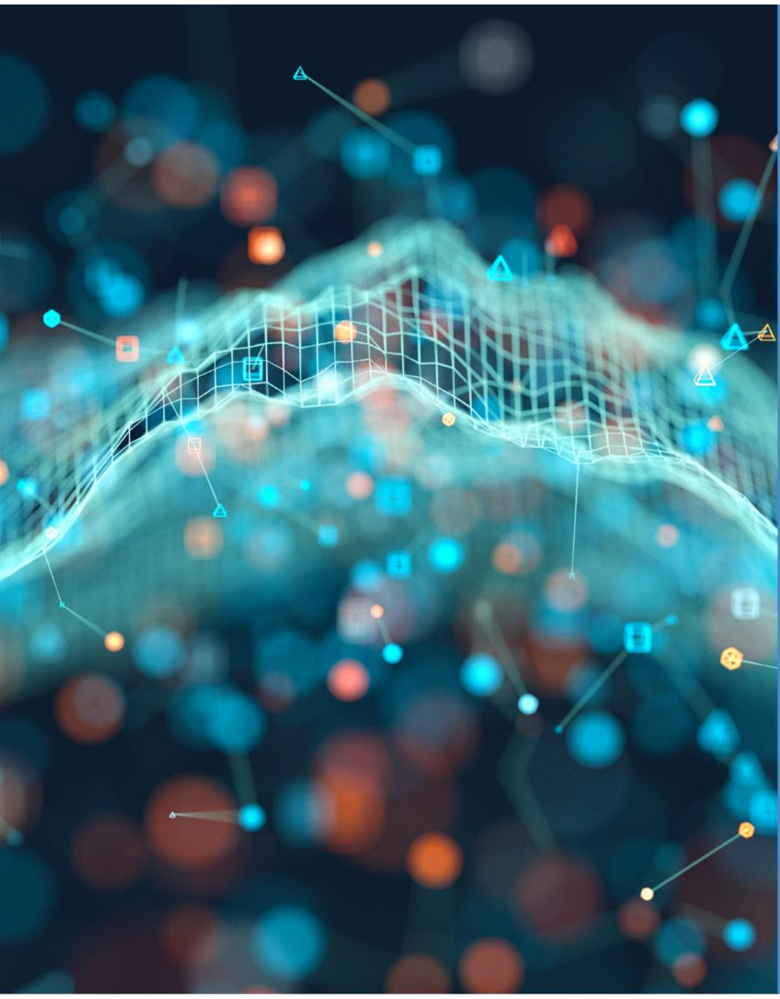
GAM CLIMATE CHANGE STATEMENT



May 2021

GAM Investments

1. Climate change as a systematic risk

Climate change poses a systemic risk to the global economy, environment and society. We therefore support the 2015 Paris Agreement goal of limiting global average temperature increase to well below 2 degrees Celsius (°C) above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5 °C. Given the speed and scale of the transition that is required to keep within these limits, we recognise climate-related transition risks, for example as the result of policy and technology developments, as well as physical risks from climate-related events that are already increasing in frequency and severity.

We are committed to supporting our clients in navigating this transition as we integrate climate-related risks and opportunities into our investment strategies and solutions. Indeed, we consider it part of our duty of care and, where applicable, our fiduciary duty to do so.

2. Governance and Strategy

Ultimate responsibility for sustainability - including the oversight of climate-related risks and opportunities - at our firm is held by our Board of Directors, which is composed of seven directors, all of whom are non-executive and considered fully independent. Our Sustainability Committee, chaired by our Global Head of Sustainable and Impact Investment, reports on our progress to the Group Management Board and the Board of Directors on a quarterly basis.

We support the Task Force on Climate-Related Financial Disclosures (TCFD) and made a public commitment to disclose our management of climate risk in line with the TCFD framework in our 2021 Annual Report in 2022.

We consider climate-related risks and opportunities within our current investment strategies and are committed to delivering new investment products designed to meet our clients' needs and facilitate increased investment in climate-related opportunities and solutions.

3. Risk management

As active investors, we use fundamental analysis, supported by independent Environmental, Social and Governance (ESG) data and research, recognised NGO sources, and our own engagement with companies, to identify, evaluate and prioritise key sustainability factors. We consider climate change a key sustainability factor within our investment process.

ESG integration - we seek to integrate relevant transition and physical climate-related risks and opportunities into our investment decision-making. We look to companies to have appropriate governance, strategy, risk management and disclosure relating to greenhouse gas (GHG) emissions and climate-related impacts along a company's value chain. We use climate data from external sources, as well as security level analysis, to identify those securities or assets where climate-related risks and impacts are greatest.

Engagement - Climate change is a key engagement theme. We encourage companies to implement a strong governance framework which clearly articulates the board's accountability and oversight of climate change risk, take action to reduce GHG emissions across the value chain, consistent with the Paris Agreement's goal or net-zero emissions by 2050; and provide enhanced corporate disclosure in line with the final TCFD recommendations. We engage directly and as part of collaborative initiatives such as ClimateAction100+. We sit on the Steering Committee of CA100+ and fully support this initiative and the recently published Net-Zero Company Benchmark. We also encourage disclosure through CDP [1]. We support and engage in policy advocacy through the PRI Global Policy Reference Group, the Institutional Investor Group on Climate Change (IIGCC) and the UK's Investment Association (IA).

Voting - We expect companies to identify and report material and business-specific risks, including climate-related risks. We will consider voting against relevant directors where we consider there are material failings in risk oversight of environmental and social issues, including climate change and will consider voting against the Board Chair or other responsible directors of companies in high impact sectors that do not take proactive measures to address and disclose climate-related risks [2].

ESG risks oversight - Quarterly investment risk review meetings, conducted by our Head of Discretionary Investment and our Investment Risk teams, include an ESG portfolio review. This includes a review of absolute and relative carbon intensity of the portfolio relative to its benchmark, fossil fuel exposure and a review of those holdings with the highest carbon intensity.

4. Metrics and disclosure

We support the TCFD recommendations as a framework to improve disclosure on climate-related risks and opportunities within financial markets. We are committed to report in line with these recommendations within our 2021 Annual Report and likewise encourage our investee companies to provide TCFD-aligned disclosures.

We are also committed to improving transparency to our clients. Fund and portfolio level reporting on absolute carbon emissions, carbon intensity and weighted average carbon intensity is currently available to clients on request and will become a standardized part of reporting for key funds by year end.

[1] CDP is a not-for-profit charity that runs the global disclosure system - https://www.cdp.net/en/

[2] Link to GAM Corporate Governance and Voting Principles

Important information