SMART CITY INFRASTRUCTURE FUND

(SCIF)

INVESTMENT SCREENS AND BLACK LIST

INTRODUCTION

The SCIF Responsible Investment Code defines seven principles and supporting guidelines to achieve the aims and commitments set by its Responsible Investment Policy.

One of those Principles stipulates that SCIF will only invest in countries and businesses that meet SCIF's requirements on specific ethical and ESG issues.

To implement this Principle, SCIF has defined a "Negative Screen" of specific issues that must be complied with before investment is permitted.

In its drive to achieve best practice, SCIF has also developed a "Positive Screen" to guide its investment process when seeking sustainable investment opportunities.

In addition, SCIF has defined a "Black List" of countries where SCIF is not willing to invest, based on a set of indicators including ESG related issues.

Both Negative and Positive Screens as well as the Black List are regularly updated to keep track of ongoing developments.

SCIF

NEGATIVE SCREEN

Sanctions

- SCIF will NOT invest in a company that is subject to, or where its directors or employees are subject to, asset freeze sanctions imposed by the UN, EU, UK or Australia.

Human Rights

- SCIF will NOT invest in a company that does not comply with international, national, state, and local labour laws in the countries in which it is active.
- SCIF will NOT invest in a company that utilises child or forced labour or maintains discriminatory policies or practices.

Bribery or Corruption

- SCIF will NOT invest in a company that is involved with bribery, money laundering, or corruption.

Black List Countries

- SCIF will NOT invest in a company that is head-quartered in, or earns more than 20% of EBITDA from operations in, countries that are on SCIF's Black List.

Negative Impacts on Society

- SCIF will NOT invest in a company active in the production or trading of goods or services that SCIF considers likely to have a material negative impact on society (including, but not limited to tobacco, gambling, illegal drugs, sex-related industries, and armaments).

Negative Impacts on the Environment

- SCIF will NOT invest in a company that SCIF considers likely to have a material negative impact on the environment, unless SCIF assesses the company can reasonably transition away from such negative impacts.

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POSITIVE SCREEN

In its drive to achieve best practice, SCIF has developed a Positive Screen to guide its investment process when seeking sustainable investment opportunities. This Positive Screen is guided by benchmarks coming from SCIF's proprietary ESG Questionnaire as well as external agencies such as UN, OECD, IFC, UNPRI and GRESB.

Environmental

- SCIF will seek to invest in companies that actively contribute to:
    - Energy transition
    - Reduction of climate change
    - Mitigation of the impacts of climate change
    - Prevention of flooding
    - Sustainable economic development

Social

- SCIF will seek to invest in companies that actively promote and support:
    - Workforce diversity
    - Voluntary unionisation of labour
    - Development of deprived areas
    - Positive engagement with and support of local communities
    - Prevention of modern slavery or the use of child labour

Governance

- SCIF will seek to invest in companies that actively promote and can demonstrate best practice in:
    - Corporate governance and risk management
    - Financial governance, reporting and transparency
    - ESG implementation
    - Board representation and diversity
    - Anti-money laundering
    - Anti-bribery

BLACK LIST

In addition to its aim to invest principally in OECD countries, SCIF chooses NOT to invest in companies that are active in countries that:

- are subject to financial sanctions imposed by the UN, EU, United Kingdom or Australia; or
- have been identified as requiring action or monitoring by the Financial Action Task Force.

In the event said institutions update their country lists to include a country in which existing SCIF managed investments have either physical presence or a material trading exposure, SCIF management will prepare a positioning-paper addressing any suggested measures or responses to be taken to mitigate such violation, at the discretion of the SCIF Investment Committee.

UN, EU, UK, AUS Combined[1] (ex-US)[2]

Afghanistan	Montenegro
Belarus	Myanmar (Burma)
Bosnia & Herzegovina	Nicaragua
Burundi	North Korea
Central African Republic	Russia
China	Serbia
Democratic Republic of the Congo	Somalia
Guinea	South Sudan
Guinea-Bissau	Sudan
Haiti	Syria
Iran	Tunisia
Iraq	Turkey
Lebanon	Ukraine
Libya	Venezuela
Mali	Yemen
Moldova	Zimbabwe

[1] https://sanctionsmap.eu/#/main 2

[2] On 22 November 1996, the Council of the EU decided to respond to the extraterritorial measures taken by the US which purport to affect EU Member States or natural and legal persons, their activities, or interests. The Council expressed the view that such laws with extra-territorial application violate international law. There are no EU restrictive measures with respect to the US per se, rather the EU introduced legislation that allows each Member State to take the measure it deems necessary to protect the interests of the natural or legal persons affected by the extra-territorial application of a third country´s laws.

High risk & non-cooperative jurisdictions[3]

Albania	Morocco
Barbados	Myanmar
Botswana	Nicaragua
Burkina Faso	Pakistan
Cambodia	Panama
Cayman Islands	Philippines
Democratic People's Republic of Korea (North Korea)	Senegal
Haiti	South Sudan
Iran	Syria
Jamaica	Uganda
Malta	Yemen
Mauritius	Zimbabwe

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[3]http://www.fatf-gafi.org/countries/#high-risk