

Climate-Related Risks Disclosure

Introduction

Vision Capital Investment Management Limited (the “Company”) is a corporation licensed with the Hong Kong Securities and Futures Commission to conduct Type 1 (Dealing in Securities), 4 (Advising on Securities) & 9 (Asset Management) Regulated Activities.

In line with SFC’s recent update to the regulatory requirements which requires fund managers to take climate-related risks into consideration, we developed a robust governance structure with environmental risk committee oversight, appropriate policies and procedures to effectively evaluate and mitigate potential climate-related risks.

The Company, had put in place appropriate measures to manage material climate risks when managing fund assets on behalf of clients.

The Company has, after careful evaluation, found climate-related risks to be relevant to the funds we manage.

Governance

The Board’s role and oversight

The Company’s Board of Directors (the “Board”) is responsible for setting clearly defined goals, roles and responsibilities for the Board and senior management for the oversight of environmental risk consideration over the assets and risk management processes. The Board oversees progress against goals and assess the effectiveness of the framework, policies and procedures, tools and metrics utilized by the Company to manage environmental risks. The Board organizes periodic meetings (at least on an annual basis) to assess and discuss any matters related to risk management.

Management’s roles and responsibilities

Senior management informs the Board on environmental risks responsibilities including assigning designated individual or management committee to roles for managing environmental risks, determining methods of effective monitoring of the Company’s management of environmental risks, ensuring that the Company has sufficient human and technical resources to appropriately manage environmental risks, establishing

internal controls together with written policies and procedures, and setting environmental risk goals with clearly defined action plans.

Environmental Risks Committee

To ensure effective oversight of environmental risk considerations the Company has set up an Environmental Risk Committee that comprised of various senior management and other key personnel including Compliance and Risk Management Departments that have been identified as key individuals who play an active role in the implementation and monitoring of environmental risk considerations throughout the investment management and risk management activities of the Company.

Determining Relevance and Materiality

We analyzed the relevance and materiality of climate-related risks to our Funds and our processes are outlined below:

Relevance of climate-related risks

When determining the relevance of climate-related risks, we looked at our Funds' (i) overall investment strategy, (ii) geographic location of our investee companies, (iii) the time horizon of our investments, and (iv) the composition of our Fund for a more comprehensive evaluation. Since all our Funds mainly invest in equities, and fixed income products, and are subject to credit risk of issuers (which may potentially be affected by climate related risks) we concluded that climate-related risks for our Fund are considered relevant.

Materiality of climate-related risks

We integrated both top-down and bottom-up approach when evaluating the materiality of climate-related risks by assessing the impact of climate-related physical and transitional risks on the (a) industry level, and (b) the portfolio level, including identifying any concentration of risks, analyzing environmental risk rating data and credit ratings of issuers. Our approach to the materiality assessment allowed us to determine funds of which environmental risks are material.

Investment and Risk Management

The Company incorporated a peer comparison approach of environmental risk metrics as well as analyzing environmental risk data disclosure levels to our investment and risk management processes.