

## **Responsible Investment Statement**

### **VT Gravis Clean Energy Income Fund**

#### **Impact**

The Fund selects investments that have a significant involvement in clean energy, by:

- The ownership of renewable energy assets and the generation of clean energy
- Direct linkage to renewable energy through funding, construction, and the supply chain
- Improving energy generation, supply, and usage (including increasing efficiency and reducing pollutants)

Through investing in companies focused on these themes the Fund furthers the energy transition, supporting the objectives of the Paris Climate Accord, Sustainable Development Goal 7 in particular (ensure access to affordable, reliable, sustainable and modern energy for all) and progress towards net zero.

Additionally, investing in companies focused on these themes limits the likelihood companies may be involved in controversial activities. However, it is recognised that where more diversified investments are selected, other activities of the company need to be examined. The following policy sets out how the Fund selects suitable investments and addresses potential issues. If a company within the Fund is found to be in breach of this policy at any point, this company will be divested in a timely manner, likely to be within six months and preferably within three months.

#### **ESG**

##### **Environment**

Attention will be given to the environmental performance of the selected investments. For an investment to be deemed suitable for the Fund, it must demonstrate a commitment to environmental improvements, through policy, management systems or positive products.

Consideration will also be given to potential negative incidents and environmental controversies, including pollution events and environmentally related fines.

In the energy sector there remains a legacy of nuclear and fossil fuel power generation – for companies involved in multiple generation methods natural gas is deemed acceptable, whereas power generation from coal, oil and nuclear activities is deemed unacceptable.

##### **Social**

In selecting suitable investments consideration will be given to the management of social impacts, including:

- Community impacts
- Labour rights
- Supply chains and modern slavery

## **Governance**

In selecting suitable investments, consideration will be given to governance issues including:

- Company ownership and control structure
- Remuneration of board members
- Taxation
- Corruption & Bribery (including fraud and market manipulation)

## **Avoidance of Controversial Activities**

Based on the positive themed focus of the Fund we consider it unlikely that investment will be made in controversial activities. However, where diversified companies are selected for investment it is possible that some company activities would not be desirable. The Fund will avoid investment in companies with significant involvement in controversial activities, including those that contradict with the stated aims of the fund.

- Controversial activities include significant involvement in: armaments, alcohol, gambling, pornography, non-medical animal testing and tobacco. Significant involvement is defined as greater than 5% of revenue.
- Companies with ongoing or persistent involvement in human rights abuses will be avoided.
- No involvement in the production of coal or oil, or generation of power from coal or oil is acceptable. No involvement in production of power from nuclear fuel is acceptable. Companies indirectly involved in the nuclear industry, such as providing maintenance and services, are acceptable.
- The Fund managers reserve the right to avoid investment in other activities not listed above where they are also deemed in conflict with the overall Fund aim.

## **Responsible Ownership**

For detail on engagement and voting activities please see the [Gravis Advisory Limited Voting & Engagement Policy](#). The Fund will undertake the systematic use of voting rights in line with this, utilising voting research from ISS in line with their Sustainability Proxy Voting Guidelines.

## **Other notes**

Newly listed companies (e.g. via Initial Public Offerings) will have a grace period of up to twelve months, to resolve issues regarding governance and reporting which may prevent a full assessment of the company under the above policies.

## **Responsibilities and Governance**

Adherence to this statement will be overseen by the Lead Adviser to the Fund, with the input of specialist third-party, as well as by the Authorised Corporate Director ("ACD") and Valu-Trac Investment Management Ltd. A regular review of this statement will be conducted, and updates undertaken to ensure best practice is followed.